MONTHLY

BULLETIN

OF THE

NATIONAL ASSOCIATION OF CREDIT MEN.

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CONTENTS.

BUSINESS LITERATURE.

The address by Mr. E. F. Page, of Faulkner, Page & Co., entitled "Character and Credit," delivered before the last Convention of the National Association of Credit Men, has been issued in pamphlet form. Copies can be had upon application.

Organization Work.

The campaign for increased membership has been actively pushed during the month of October. Applications have been received from:

NEW BRITAIN, CONN.

Landers, Frary & Clark, F. A. Searle; Russell & Erwin Mfg. Co., Isaac D. Russell, Treas.; Stanley Works, G. H. Pease, Secy.; P. & F. Corbin, Chas. E. Wetmore, Treas.; The Corbin Screw Corporation, C. A. Earl, V. P.; the Hart & Cooley Co., Norman P. Cooley, Treas.; the Traut & Hine Mfg. Co., G. W. Traut, Treas.

HARTFORD, CONN.

The Capewell Horse Nail Co., Geo. C. F. Williams, Secy.; Jewell Belting Co., Edw. J. Pearson; the Hartford Rubber Works Co., J. P. Krogh; the Billings & Spencer Co., E. H. Stocker, Secy.; the Hart Mfg. Co., G. W. Hart, Pres.; the Wm. Boardman & Sons Co., H. F. Boardman; Chas. G. Lincoln & Co., Inc., Richard C. Lincoln, Secy.; T. Sisson & Co., Thos. Sisson; the Plimpton & Hills Corp., W. T. Plimpton, Treas.

BRISTOL, CONN.

The E. Ingraham Co., Wm. S. Ingraham, Treas.; the American Silver Co., J. R. Holley.

FORESTVILLE, CONN.

The Sessions Clock Co., E. A. Freeman, Secy.

NEW BRUNSWICK, N. J.

Natl. Bank of New Jersey, H. G. Parker, Cash.

TRENTON, N. J.

Home Rubber Co., H. M. Royal, Asst. Secy.; Murray, Griffith & Messler, Wholesale Notions; Hamilton Rubber Mfg. Co., W. S. Blodgett, Secy.; the Trenton Potteries Co., J. A. Campbell, Genl. Mgr.; John Maddock & Sons, W. B. Maddock.

TAMPA, FLA.

O'Halloran Cigar Co., E. Lassere; P. San Martin Co., W. C. Clarkson, Pres.

PROVIDENCE, R. I.

Wescott, Slade & Balcom Co., H. R. Slade, Treas.

NEWARK, N. J.

Newark Varnish Works, H. L. Kehrl, Treas.

Asst. Secretary Stockwell will spend the month of October in the States of Massachusetts and Vermont.

Directors' Meeting.

The annual meeting of the Board of Directors will be held at Chicago Oct. 24, 1904.

Members who desire to bring matters to the attention of the Board will please communicate with the Secretary.

Death of Senator Hoar.

Senator George Frisbie Hoar died at Worcester, Mass., on September 30th.

Senator Hoar was born at Concord, Mass., on August 29, 1826.

His maternal grandfather was Roger Sherman, the only person who signed all four of the great State papers, the Articles of Association of 1771, the Declaration of Independence, the Articles of Confederation and the Constitution of the United States.

Mr. Hoar's father, Samuel, was one of the most eminent lawyers at the Massachusetts bar. Senator Hoar graduated from Harvard College in 1846.

He studied law at the Dane Law School, and began the practice of his profession at Worcester, Mass.

He was elected to the State House of Representatives in 1852 and to the State Senate in 1855.

Senator Hoar was elected a Representative in the Forty-first Congress, taking his seat on March 4, 1869.

He remained in Congress from that day to his death, with an interval of two years only, having taken his seat as United States Senator from Massachusetts on March 4, 1877.

Senator Hoar was an advocate of a uniform Bankruptcy Law, and as a member of the Judiciary Committee of the United States Senate, he rendered valuable aid in securing the passage of the law now in force.

In answer to an invitation to attend a banquet given in New York City early in 1903, the Senator wrote:

My Dear Sir: WASHINGTON, D. C., March 25, 1903.

I am sorry that I cannot attend the banquet to be given by the New York Credit Men's Association, and speak to them of the great value of a Bankruptcy Law to the business interests of the country, and the great improvement that has been made in our system by the recent amendments.

The Constitution gives Congress the power to establish a uniform system of Bankruptcy. The framers of the Constitution and many of its ablest expounders, including Mr. Webster, the ablest of them all, deemed that provision mandatory. Certainly no highly civilized nation can engage extensively in commerce without a system which shall discharge unfortunate debtors, and shall compel the distribution of the estates of insolvent debtors equally and justly among their creditors, instead of permitting the creditor preferred by the debtor, or the creditor first making an attachment, to get the estate. It is true that the States, in the absence of action by Congress, may have systems of their own which will operate on debts which are contracted after such laws are passed. But they cannot operate to effect creditors outside the limits of the States which pass them. Our chief commercial cities are, most of them, close to the lines of the States in which they are situated. Our manufacturers are found all over the Union, and deal with customers all over the Union. So, without a national system of Bankruptcy, there can be no fair distribution of the estates of debtors, and debtors overtaken with misfortune who cannot pay their debts, can never get their discharge, and must drag the burden of an ever-lengthening chain to their graves.

Yet the prejudice against a Bankruptcy Law—though of late much diminished—has always been, and still is, very strong. In many communities the United States Courts are an object of jealousy. Many people dislike to be called into court when they have to transverse vast spaces to get to the places where courts are held. There are many communities, especially the old slave States, where men do not like to be compelled to answer by judicial authority to their workmen, particularly to

their former slaves. So, it has always been very difficult to get a Bankruptcy Law passed, and our earlier Bankruptcy Laws have been short-lived. It is undoubtedly true, also, that shortly after the War, in some of the States where conditions were still disturbed, there were grave abuses, and estates were eaten up by costly legal proceedings, so that the assignee and his counsel got the estate, and the proceedings were of no advantage to either debtor or creditor. But the present Bankruptcy Law, on the whole, has been conducted economically. Indeed, I think the officials charged with its execution, in many instances, have just right to complain of the inadequacy of their compensation. But we are getting along pretty well. There were some interpretations of the law made by the courts which were not expected by its framers, and experience has shown that some modifications were needed. But I hope and believe that we now have the best, most economical and just system of Bankruptcy enjoyed by any country in the world, and that it will operate alike to the satisfaction of creditors and debtors, and to the great advantage of the country, without the necessity for any considerable change for a good while to come.

I am, with high regard, faithfully yours,

GEO. F. HOAR.

Charles E. Meek, Esq., President,
New York Credit Men's Association,
New York City.

Charles F. Clark Dead.

Charles Finney Clark, president of The Bradstreet Company, died in London, England, on Saturday, Sept. 3rd, of heart failure. Mr. Clark had just completed his sixty-eighth year, having been born in Preble, Cortland County, New York, on August 30, 1836. He was the son of a clergyman, Rev. Gardiner K. Clark, and was educated at Homer Academy, not far from his birthplace. He went subsequently to Detroit, where he studied law, and afterwards published a city directory and became associated with Carl Schurz in the publication of the Detroit *Post*. As it happened, however, his studies and experience up to this time furnished merely the preliminary training for the great work of his life, the development of The Bradstreet Company. He served successively as superintendent of the Detroit, Philadelphia and Boston offices, and then as general manager, with headquarters at New York. When the business of the agency was incorporated in 1876, Mr. Clark was made at first secretary and afterwards president.

Though the development of The Bradstreet Company as an indicator and safeguarder of credit absorbed the best energies of Mr. Clark, particularly during the institution's formative period, his interests were not confined to it. His counsel was highly valued in general business circles, and he was elected vice-president of the Washington Trust Company and served as director of a number of corporations, such as the American Cotton Oil Company and the Niagara Falls Power and Cataract Construction companies. He was a member of the New York Chamber of Commerce, of the American Geographical Society and of the New York Genealogical Society. His social interests found expression in his membership in a number of clubs, among which the Union League, Metropolitan, Grolier, Lotos, Hardware, Church, and Merchants' clubs were conspicuous, and in the St. Andrew's and New England societies. He also served for many years as treasurer of St. James Protestant Episcopal Church in New York City. Recognition of the large place he filled in financial and business life was accorded to him in his selection as one of the "captains of industry," representing American finance, commerce, industry, credit and invention, at the famous luncheon to Prince Henry of Prussia in New York, in February, 1902.

Bankruptcy Law a Success.

The Washington correspondent of the *Dry Goods Economist* places before the readers of that paper a carefully prepared summary of the work handled by the Bankruptcy Courts during the first six months of 1904. In the preparation of the article access was had to the official report of E. C. Brandenberg, of the Department of Justice. Mr. Brandenberg informs the office of the National Association of Credit Men that his report will not be ready for distribution inside of two months. Through the courtesy of the *Dry Goods Economist* we are able to place before our readers this interesting summary.

The statistics for the first half of the bankruptcy year 1904, which have juse been compiled by E. C. Brandenberg, the bankruptcy expert of the Department of Justice, make an excellent showing, not only reflecting the generally prosperous condition of the country, but demonstrating that the federal statute, as amended in the last Congress, is working with less friction and to the greater advantage of business men, both debtors and creditors.

"The figures relating to voluntary petitions also show a material decline in the number of so-called "old State bankrupts," who have recently taken advantage of the federal law to remove their commercial disabilities.

Voluntary Cases Decrease.

"The number of voluntary petitions filed during the first six months of 1904 was 7,502, as compared with 7,952 for the same period of 1903. The number of cases adjudicated in the first half of 1904 was 7,375, as compared with 7,929; 367 petitions were dismissed, 5,213 discharges were granted, 94 compositions were confirmed and 37 were refused in the first half of 1904, as compared with 153 petitions dismissed, 5,733 discharges granted and 67 refused, 85 compositions confirmed and 4 refused in the corresponding period of 1903.

"In all important particulars these statistics represent not only improved conditions in the commercial world, but increased expedition on the part of the courts in disposing of voluntary petitions.

"The largest number of voluntary petitions filed during the year were reported from New York, a total of 773 being charged to that State. Alabama stood second with 677, Massachusetts third with 599, and Texas and Minnesota were tied for fourth place with 355 each.

A Gratifying Showing.

"During the first half of 1904 the total number of voluntary cases reported by referees as closed was 5,530, as compared with 11,663 for the full year 1903. The total assets realized for the first half of 1904 were $4,459,566, as compared with $8,051,471 for the full year 1903. This is a most gratifying showing, as it demonstrates that in the first half of 1904 a smaller number of cases yielded greater assets than during any preceding year since the law took effect. This will go a long ways toward silencing the cry that the federal law encourages fraudulent bankrupts.

"Of the entire number of cases reported in the first half of 1904, 3,212 developed assets, while 2,318 disclosed no assets. These figures vary little proportionately from the record for 1903, but it is an interesting fact that while for the full year 1903, 4,660 cases were reported in which the assets realized amounted to less than $500, the number of this class of cases for the first half of 1904 was only 2,165, or considerably less than one-half. The total liabilities reported for the first half of 1904 amounted to $43,982,236, as compared with $106,147,378 for the full year 1903. It

will be noted that in proportion to the number of cases reported, the liabilities for the first half of 1904 were much less than for the year 1903.

INDICATE EFFICIENT WORKING.

"The comparison of liabilities with assets affords the best basis for determining the efficient operation of the federal statute, and on this point the figures are very significant. The assets realized in the first half of 1904, amounting to $4,459,566, constitute more than 10 per cent. of the total liabilities, while the total assets for the entire year 1903, amounting to but $8,051,471, constitute less than 8 per cent. of the total liabilities.

"In dividends paid the statistics for the first half of 1904 make a surprisingly good exhibit, and it should be remembered that the dividends constitute an excellent index of the efficiency of the law. Although in 1904 less than half as many cases were reported as in the full year 1903, yet the number of cases in whcih dividends were paid was proportionately greater, the total being 775 out of 5,530, as compared with 1,566 out of 11,663 in the full year 1903. The total amount of dividends in the first half of 1904 was $1,424,683, as compared with $2,477,082 in the full year 1903.

EXPENSES GREATLY CUT DOWN.

"In the matter of fees, commissions and expenses another efficient feature of the federal law is disclosed. In the handling of 4,389 cases, these charges in the first half of 1904 amounted to but $448,901, or slightly more than $100 per case. When it is remembered that under the old State insolvency law these charges frequently absorbed the major portion of a bankrupt's estate, it is easy to see what an enormous advantage to the business community has resulted from this beneficent federal legislation.

"Of the petitioners, 479 were farmers, 2,611 wage-earners, 1,778 merchants, 134 manufacturers, 106 professional men and 422 'miscellaneous.'

INCREASE IN INVOLUNTARY CASES.

"While a decrease in the number of voluntary petitions indicates the efficiency of the law, as it reflects the cleaning up of old State insolvency cases, so a small increase in the number of voluntary petitions serves to show that the law is working well, since it demonstrates that the creditor interests of the country are learning to rely upon the federal statute, in preference to proceeding under the State laws on grounds of frauds, etc., or for the creation of receiverships, which so frequently serve no purpose but to dissipate the assets of concerns, which, under more favorable conditions, would have been able to pay dollar for dollar.

"The number of involuntary cases filed during the first six months of 1904 was 1,786, as compared with 1,265 in the first half of 1903. There were adjudicated in the first half of 1904, 1,105 cases; 219 petitions were dismissed, 339 discharges were granted and 5 were refused, while 68 compositions were confirmed and 2 were refused. For the same period of 1903, 851 cases were adjudicated, 205 petitions were dismissed, 270 discharges were granted and 8 refused, while 53 compositions were confirmed and 49 refused.

"The largest number of involuntary petitions filed during the first six months of 1904 were reported from New York, which is credited with 253, while Illinois stood second with 179, Pennsylvania third with 172 and Texas fourth with 122.

"While the total number of involuntary cases reported closed in the full year 1903 was 1,071, for the first half of 1904 651 were reported, or more than one-half as many. The total assets realized in the first half of

1904 aggregated $3,404,935, a remarkably good showing, as will be seen by a comparison with the figures for the full year 1903, when the assets realized aggregated $4,520,680.

"This means that the average amount of assets per case rose from about $4,500 in 1903 to nearly $5,500 in the first half of 1904.

Improvement Otherwise Shown.

"That the creditor interest has not ruthlessly pursued the debtors under the federal law is shown by the increased liabilities in the first half of 1904, when the total was $15,281,121, as compared with $21,467,566 for the full year 1903. In the important item of dividends a notable improvement is observed in the first half of 1904, when the total reported was $1,833,055, as compared with $2,568,742 for the full year 1903. This is an average of nearly $3,000 per case in 1904 as compared with about $2,500 in 1903.

"In the matter of total fees, commissions and expenses, also, the record for 1904 is an excellent one. Although more than half as many cases were reported as in 1903, the total of these expenses was but $339,657, as compared with $666,166 a year ago. Thus, while the expenses per case in 1903 were over $600, in 1904 they were less than $500.

"The statistics showing the involuntary cases reported in 1904 give the following details: Farmers, 3, wage-earners 53, merchants 440, manufacturers 62, professional men 13, "miscellaneous" 80. Merchants, it will be noted, constitute more than two-thirds the total number. This is a larger proportion of merchants than in 1903, although the variation is not great."

The Credit Man.

In addition to being the best posted man in the establishment on the subject of a customer's character, habits and financial responsibility, the credit man of the big firm, whether wholesale or retail, must be something of a second-sight artist and long-range prophet.

A few days ago the representative of a big wholesale dry goods house was in Topeka trying to find some tangible asset of a "busted" dry goods establishment. Speaking of the proprietor of the wrecked establishment, he said:

"A few weeks ago Mr. —— came to our store and bought a $2,000 bill of goods. He bought easily—almost greedily. Then he went before the credit man and made a statement of his property, which showed him to be worth about $40,000. Outside information in the possession of the firm showed that Mr. —— was financially good for the bill and could pay it if he wanted to. Finally the credit man announced his verdict. He said: "Mr. —— owes us $500 on his last bill. We will wait till he pays that before we ship his $2,000 order."

"Of course Mr. —— did not pay the $500, and the credit man had saved the firm the neat sum of $2,000."

A credit man with this sixth sense of prophesy is about the most valuable assistant an establishment can possess. Talent of this kind comes high. Ten thousand a year salary represents a small fraction of what a first-class credit man in a big concern can save his employer. Simply because a customer is known to be something of a shyster is not conclusive evidence against him. Every firm is dealing with shysters, and it is the credit man's sixth sense which must tell him where to draw the line.—*Merchants' Journal.*

Fraudulent Debtors in Canada.

That traders who do a credit business should be compelled by law to keep such books of account as will fully explain all their transactions, is necessary under all circumstances. If they fail to do so, they are not fit to be in business. The failure to do so is not under the law, as it now exists, a criminal act, and merchants who entrust their goods on credit should have a right to exact that such books shall be regularly and properly kept. Had we an insolvency act, a provision that an insolvent debtor who had not kept such books to the satisfaction of his creditors would not be entitled to his discharge, would exercise a good influence. But as we are not favoured with such a law, the next best course is to embody in the criminal code a provision subjecting the offender to exemplary punishment. Under the code, the assigning of property with intent to defraud creditors is declared to be an indictable offence and liable to a fine of $800 and to one year's imprisonment. The punishment here provided is a severe one, but, as we have seen, the judges on the recommendation of the Crown prosecutors have not inflicted the prescribed punishment, but have dealt leniently with the accused. It is now proposed to add a sub-section dealing with certain traders who fail to keep such books. The bill which has been submitted to the House of Commons by Mr. Bickerdike, member for the St. Lawrence Division of the city of Montreal, is as follows:

"Section 368 of the Criminal Code, 1892, is amended by adding the following after paragraph (*b*) thereof: "(*c*) who, being a trader and indebted to an amount exceeding one thousand dollars, is unable to pay his creditors in full and has not, for five years next before such inability, kept such books of account as, according to the usual course of any trade or business in which he may have been engaged, are necessary to exhibit or explain his transactions, unless he be able to account for his losses to the satisfaction of the court or judge and to show that the absence of such books was not intended to defraud his creditors."

We cannot see the justice of restricting the application to an amount of indebtedness to a sum exceeding $1,000, and think that the amount should be reduced. The provision that the trader has not for five years next before his inability kept books should be qualified in order to meet the case of those who have not been that length of time in business. The absence of such books should be a presumption of fraud in itself, and in their absence no verbal accounting for losses unsupported by documentary evidence should be allowed. If a man goes into business as a trader he should, not only in the interest of his creditors, but in his own interest keep books showing all his transactions and especially a cash book showing what moneys he may have received from time to time and what has become of them. We should have preferred that such a bill should have been submitted by the Attorney-General rather than by a private member.—*The Shareholder and Insurance Gazette*, May 6, 1904.

Personal Mention.

Mr. Wm. H. Preston, the first President of the National Association of Credit Men, and now with the American Credit Indemnity Company, San Francisco, recently spent several days in this city, attending the American Bankers' Convention. Mr. Preston renewed the acquaintance of many of his old friends in this city.

Director Geo. H. Graves, of Boston, found time, during a brief visit in this city, to favor this office with a call.

Hon. Max Silberberg, a prominent member of the Cincinnati Credit Men's Association, was in this city recently and favored us with a call.

Long Credits Dangerous.

In large establishments the credit man is an important individual. On his knowledge and good judgment depends the very life of the institution. These experts have associations that are mutually beneficial, often furnishing inside information as well as other means of securing protective knowledge. They also come to know men, to study them in such a thorough and careful manner that they can almost tell intuitively whether an applicant for credit should be trusted or not. In the large majority of cases the retailer has to be his own credit man, and some of them make mighty poor work of it and lose seriously in consequence. The average retailer is inclined to be too lenient and to grant too long credits. This is a dangerous practice. He knows that he must pay his own bills in sixty to ninety days at the outside, and he should educate his customers to the same habit. Moreover, the wise man who trusts customers for his goods always has a distinct understanding with them as to when their bills become due and payable, and does not allow them to go away with the idea that any old time will do. Of course, the whole credit business is obnoxious, and that hardware men, as a general thing, heartily despise it was shown at one of this year's association meetings, when one member declared he did a strictly cash business, and received a hearty round of applause. No doubt every dealer who heard his declaration, and who himself was doing a credit business, felt envious and wished he could give similar testimony. There is no doubt many could, if they only possessed the nerve to make the stand. It is conceded that the entire elimination of credit business is perhaps an impossibility, but there is no doubt it could be largely reduced, and the habit—for it is habit nine times out of ten—checked to a considerable degree if merchants were determined. Conceding it, however, as a necessary evil, and those who enter into it, and pass their goods over the counter on another man's promise to pay, ought, in justice to themselves and their business, to use the greatest care and discrimination. Many a man gets trusted for a considerable bill of goods whom the proprietor wouldn't think for a minute of lending five dollars in cash. That is bad business, and is certain to prove disastrous. If you are your own credit man you must learn to study men, to know your customers, to find out all you can about them just as the credit men do, and learning by experience, intuition or any other way that an applicant for credit is not entitled to it, do not be afraid or hesitate to say no any more than you would if you were asked to open your cash drawer and fork over the contents. If you adopt such principles, and stick to them, irresponsible men will soon learn not to ask you to trust them, and you will reap the benefit.—*Stoves and Hardware Reporter.*

New Bank in Denver.

The United States National Bank has recently been organized in Denver, Colorado.

The Denver Credit Men's Association finds itself well represented through W. A. Hover, President, A. C. Foster, Cashier, and M. Freeman and C. D. Griffith, Directors.

The new bank will take over the business of the Daniels Bank, a State Institution, of which Mr. Foster has been Cashier since its incorporation.

Credit Co-operation Discussed.

178 Market Street, Chicago, July 28, 1904.

Mr. Charles E. Meek, *Secy.-Treas.*,
National Assn. of Credit Men,
New York.

Dear Sir:

As co-operative information, or interchange of ledger experience (it is immaterial which we call it), and the most satisfactory way of obtaining it is a matter greatly interesting credit men at this time, I presume your columns are open for the experience had by trade organizations along that line. If so, permit me to lay before your readers an outline of the action taken by the National Shoe Wholesalers' Association.

As chairman of a committee appointed by that association in January, 1903, for the purpose of investigating the advisability of establishing an interchange bureau in our association, will state, that after our committee had thoroughly investigated trade organizations formed for the purpose, or that had adopted a system of interchange, especially the one operated by the Wholesale Clothiers' Association, our committee in January, 1904, unanimously reported to our National Association that it was not in our judgment advisable to organize such a bureau, for the following reasons:

Shoe retailers to a large extent are general merchants, or at least handle some other lines of merchandise. Consequently shoe information alone would be inadequate. The large number of shoe wholesalers located in trade centers where it would not pay to establish an office of a bureau would preclude the possibility of giving those so located satisfactory service. The cost of establishing and maintaining a bureau would entail a large outlay of capital and be a continued expense.

A considerable number of shoe wholesalers with whom the committee have been in correspondence urgently recommended that we investigate the advisability of using or employing some agency already established through whom the interchange of co-operative information might be effected. This was thoroughly done and propositions asked for from several of the leading commercial agencies for furnishing the members of our Association with interchange information. The result was that a proposition from the Credit Clearing House was accepted by the committee, subject to the approval of the National Association. This proposition was made a part of the committee's report. It provides for special service to our members, the use of all their offices and the benefit of all information received from subscribers in other lines in which our members are interested, all being under the supervision of an advisory board appointed by our National Association. This gives us all the advantages that could have been derived from a bureau of our own, plus the information constantly flowing into the Credit Clearing House from houses in other lines who sell our customers. Further, the gathering, compilation and distribution of the interchange information we get is done by an organization that has had years of experience in the work and is, therefore, better capable of giving us satisfactory service than we could give ourselves for years to come. These reasons with that of the expense of a bureau of our own were considered sufficient by our Committee for recommending the use of an organization already fully equipped for the work. Speaking for the individual members of the Committee, will say, that we have had no reason to regret the choice we made. On the other hand, our agreement with the Credit Clearing House is working to our entire satisfaction.

It was the judgment of our Committee that if the idea of the Clothing Association prevailed and it were possible for all trades to form associa-

tions for interchange operated under their own auspices, it would then become necessary to establish a general organization or clearing house in which these trades could all unite, and thus, after a very laborious process, we could only get back to the point where The Credit Clearing House now stands. Even then it would be questionable if we would be able to furnish as satisfactory information as we are now receiving.

Our National Association at its meeting, held in January last, accepted and approved by a unanimous vote the report made by our Committee, in the following language:

"The Committee appointed at the last annual meeting to consider the advisability of adopting a system of co-operative credit information submitted a complete and exhaustive report, and recommended that an arrangement with the Credit Clearing House as outlined in the report be approved. After discussion it was voted that the report be accepted and the recommendations of the Committee adopted, and that the Committee be continued, authorized and empowered to carry out its recommendations."

The action taken at the Convention of the National Association of Credit Men, recently held, on the question of organizing a bureau for interchange of information within the Association, by unanimously adopting a resolution declaring it to be inexpedient at this time for the Association as a body to take any action with regard to the interchange of credit information other than recommend its members to support and stimulate by their influence all movements looking toward the perfection of this service, fully confirms the wisdom of both the course taken by our Committee and the approval thereof by our National Association.

The subject on which I am writing is one of the most vital problems before Credit Men to-day. They are all looking for a source through which every line of trade and every market may unite in the exchange of information, an end devoutly to be hoped for and one which would work wonders in the reduction of losses by bad debts and anxiety and worry on the part of credit managers.

If we look at the question impartially it would seem more sensible to use that which already exists and which is thoroughly equipped for the service, rather than attempt to organize the fractional parts into separate bodies and then cement these together by some other central organization. It has taken the Clothing Association many years to acquire a national membership in their line. If other trades were a like time in perfecting their organizations, we would hardly be able to bring forth a general exchange through trade associations in the next quarter of a century. On the other hand, if all other trades would co-operate through existing sources, this end could be accomplished within a year's time. It would provide a very much more effective service than, in my judgment, could possibly be provided through any other source.

Trusting that this communication may be worthy of a place in the columns of your esteemed MONTHLY BULLETIN, I beg to remain,

Very truly yours, S. W. CAMPBELL.

Credit Co-operation Meeting.

Manufacturers and jobbers representing the Paint, Oil and Varnish interests in Chicago, held a meeting on Sept. 29, at the Union League Club in that city.

The object of the meeting was for the purpose of arranging a system for the exchange of ledger experience.

After a thorough discussion of the subject it was decided to operate through the Credit Clearing House.

An Advisory Committee was named, as follows: F. A. Gregory,

National Lead Co.; B. E. Borges, Sherwin Williams Co.; Wm. Turner, Chicago Varnish Co.; Mr. Johnston, Standard Varnish Co.; Mr. Pettibone, Geo. E. Watson Co.

American Bankers' Association.

The American Bankers' Association held its Thirtieth Annual Convention at New York City, September 14, 15 and 16, 1904. Several thousand bankers were in attendance. The sessions of the Convention were held at the Waldorf-Astoria.

The greater part of the first day's session was given over to committee reports and the address of the Hon. A. B. Hepburn, President Chase National Bank, on "The Money Situation."

A discussion of practical banking questions occupied the attention of the delegates at the second day's session. At this session these addresses were made:

"Emergency Circulation," by Mr. A. J. Frame, President Waukesha National Bank, Waukesha, Wis.

"The Western Banker," by Mr. W. C. Robinson, President National Bank, Winfield, Kansas.

"Banks and Trust Companies," by Mr. Eugene E. Prussing, Chicago, Ill.

The programme for the third day included addresses on the following subjects:

"Credit Indemnity, and Its Value to the Banker," by Mr. W. E. Schweppe, Manager Bankers' Department of American Credit-Indemnity Co., St. Louis, Mo.

"The Strength and Weakness of American Finance," by Hon. Ellis H. Roberts, Treasurer of the United States.

These telegrams of greeting passed between President Standart, of the National Association of Credit Men, and President Bigelow, of the Bankers' Association:

"F. G. Bigelow, President,
American Bankers' Association,
The Waldorf-Astoria, New York, N. Y.

Greeting from the National Association of Credit Men. We stand with you for the upbuilding of commercial integrity, the improvement of business methods and the enactment of better laws.

Frederick W. Standart, President."

"Fredk. W. Standart,
Prest. Natl. Assn. of Credit Men, Denver,

The American Banking Assn. cordially acknowledges your telegram and stands with you for better methods, purer laws.

F. G. Bigelow, Prest."

The election of officers took place on the third day, and the choice for President and First Vice-President was as follows:

President, E. F. Swinney, President of the First National Bank of Kansas City, Mo.

First Vice-President, John L. Hamilton, of Hamilton & Cunningham, Hoopeston, Illinois.

American Law League Meeting.

The September number of the *American Legal News* covers the tenth Annual Convention of the Commercial Law League of America, held at West Baden, Indiana, July 25-29.

The Hon. John R. Simpson, of Paoli, Indiana, welcomed the delegates and guests, and Edwin A. Krauthoff, of Kansas City, responded to the address of welcome.

President Siddons in his address said in part:

The Commercial Law League was organized in Detroit on August

15th, 1895, in a convention assembled by members of the bar who gave either an undivided attention to the practice of commercial law, or who had organized in their offices special departments for its practice. There also took part in this organization some other gentlemen, who, if lawyers, were no longer engaged in active practice, but whose business brought them into intimate daily relation with the commercial branch of the profession. Such were officers or managers of reputable collection agencies or bureaus; collection managers or credit men of reputable mercantile or manufacturing establishments, and the publishers of reputable commercial law journals or legal directories.

The need of such an organization as the League had been felt for some time before, for the local and National Bar Associations did not, and could not, respond to the changed conditions surrounding the commercial law practitioner at the moment our Association was formed. These conditions, it must be confessed, had compelled on the part of the commercial lawyer, a wide departure from the methods prevailing in the law office of twenty years ago. With the enormous expansion of our commerce and business came the necessity for the application in the commercial lawyer's office of those rules for the dispatch of business that were best calculated to meet the imperative, nay, the imperious demands of the commercial world, and the result was that the commercial lawyer found that his branch of the profession was taking on, more and more, a business rather than a professional aspect. Contemporaneously with this process of change was the large increase in the number of legal directories and lists, bidding for the lawyer's patronage and support. The mercantile agencies also were multiplying, needing an increasing number of commercial lawyers to aid in their undertakings. The work of the commercial lawyers in readjusting their practice to these changed, and still changing, conditions, has ever been attended with vexatious incidents and circumstances, and has involved many a one in considerable pecuniary loss.

In addition to all this, was the ever-increasing need for greater uniformity of the laws which in the different States and Territories the commercial lawyer is constantly called upon to invoke.

In the belief that the time had come, when, by a combination of the various interests to which I have alluded, they could, by organized action, promote a more uniform mode of practice among commercial lawyers, a better relation between them and the mercantile agencies, a more satisfactory connection with the legal directory and list, and a more effective campaign for that uniformity of legislation that has for so long a time been urged, the Commercial Law League was conceived and born.

The objects of the League, as stated in its Constitution, are as follows:

"To promote uniformity of legislation and practice in matters affecting commercial law; to elevate the standard and improve the conditions of the commercial law business; to encourage an honorable course of dealings among its members and in the profession at large, and to foster among its members a feeling of fraternity and mutual confidence."

The report of the Treasurer showed the financial condition of the League to be healthy.

The membership on July 1, 1904, numbered 1,246, divided as follows:

Attorneys, barristers and solicitors....	1,177
Agency managers..................	49
Collection managers......	10
Publishers	5
Collection Bureau managers..........	4
Editors	1.

Addresses were made by Prof. Horace L. Welghs, of the University of Michigan, on "Should There Be a Federal Incorporation Law?" Justice Oliver O. Provosty, of the Supreme Court of Louisiana, on "Civil Code of Louisiana;" I. Moultrie Mordecai, of Charleston, S. C., on "The Bankruptcy Law and Its Relation to Commerce;" Marshall D. Wilbur, of Chicago, on "System," and Eli H. Chandler, of Atlantic City, on "Free Reporting from a Victim's Standpoint." An interesting discussion of the subject followed each address.

After electing Mr. S. T. Bledsoe, of Ardmore, Indian Territory, President, and deciding to hold its next Annual Convention at Monterey, California, the Convention adjourned.

The permanent headquarters of the League will be transferred about January 1, 1905, from Washington, D. C., to New York City.

Why Our Foreign Trade Languishes.

NEW YORK, Oct. 1, 1904.

Editor, MONTHLY BULLETIN,
National Association of Credit Men,
29-31 Liberty St., New York City.

DEAR SIR:

As an experienced man in dry goods credits on both sides of the Atlantic, I am somewhat astonished at the fact that large and otherwise aggressive commission houses controlling the entire sale of manufacturers' outputs sometimes decline to quote foreign houses whose representatives call upon them furnished with the highest American references. Their refusal to do so is explained by their saying that they "do not want to do business outside of the United States." This would imply that the credit arrangements of such houses are based on a purely domestic business. Some one, however, has to take these risks which are (with due precautions) much less dangerous than those accepted every day with the making-up trade. These risks would be readily taken by export commission houses down town and by live Manchester or Hamburg commission houses. The representatives, however, of large foreign concerns are too keen business men to pay a commission to down town export houses and simply address themselves to makers selling their own goods or to selling agents who have the financial acumen lacking in their less up-to-date competitors.

If foreign trade is thus turned down, it is not strange that we are exporting in the form of manufactured goods only 2½ per cent. of our yield of cotton. I know of instances where three or even four commissions are paid in New York before goods leave this port, these being borne either directly or indirectly by the manufacturer. One commission would be legitimate while the others render it all the more difficult for the American manufacturer to make headway abroad. The commissions I allude to are paid to—

(1) The selling agent,
(2) The New York house which guarantees accounts,
(3) The export broker,
(4) The export commission merchant.

The last named charge increases the cost to buyer at his own door and affects the price he could otherwise afford to pay for the goods. Taking these in the aggregate they must sometimes amount to as much as 10 per cent., a serious handicap for the American manufacturer in competing with English and German rivals.

From the fact that two large German export commission houses specially dealing in machinery and hardware have recently opened New

York offices for the purpose of selling American manufactures to the South American markets, it is evident that our more progressive European competitors see a chance of profiting by the timidity and passiveness of American manufacturers as to the distribution of their own products. In conjunction with the fact that our goods are nearly all carried by British vessels the distribution of our manufactures through the intervention of foreign commission houses is not likely in the end to benefit American industry.

Very truly yours,

ANGLO-AMERICAN.

Paint, Oil and Varnish Convention.

The Annual Convention of the National Paint, Oil and Varnish Association will be held at Buffalo, N. Y., October 11, 12 and 13, 1904.

One of the important subjects to be considered is that of Credit Information Bureaus. It is believed that the Association will endorse the work of the Credit Men in the direction of Bulk Goods Legislation.

Texas Business Problems.

The *Texas Trade Review* announces that its "Implement and Vehicle Edition" will hereafter be published as the *Implement and Vehicle Journal.* This change has been made necessary by the importance of Dallas, its place of publication, as a distributing center for farm machinery, implements and vehicles. The current issue contains the following interesting article on "Collections and Extensions:"

"That there will come to all dealers and, if not all, the exceptions can be counted on the fingers of your hand, requests from their customers, one or more, to be carried for a few weeks, or possibly as much as half of his note or account carried over to fall of 1905, there is no doubt. We presume that three-fifths, if not three-fourths, of notes given by farmers to dealers for goods bought through the winter and summer months of this season will mature on the first of next month—October—and to what extent are you, brother dealer, prepared to concede to their requests?

"It will not be surprising to the writer if the dealers have a large number of these requests to meet this fall, or that the percentage of their collections embraced in these requests will be greater than in the fall of 1893. And why does the writer think so? Simply because some of the large, influential cotton planters have advised the smaller ones to hold their cotton, and that cotton will reach from thirteen cents to fourteen cents per pound before it will go below present prices; and right here rises the question: Has the farmer a just right to speculate, even on his own cotton, beyond doing so on the surplus left him after he has marketed enough to pay his note given for a wagon, sulky plow, cultivator, hardware, stove or buggy, as the case may be?

"Where cotton warehouses have been established and ready to issue to the farmer a warehouse certificate or receipt, which the farmer can take to the bank and get money on it within twenty per cent. of the market value of his cotton when placed in the warehouse, or within whatever per cent. the banks name, in which case the farmer can have money with which to pay his maturing obligations, that is all right. He then takes his own chances on the percentage deducted by the banks, as against the "ups and downs" of the market, and works no hardship on anyone. If the dealer makes his collections within a trifling per cent. of what he has out, he is prepared to pay his obligations to the jobber and manufacturer. But as there are not a half dozen of these cotton storage companies within the cotton States, the farmer who is not located

to avail himself of this storage system will, if guided by the advice that has gone out to "hold your cotton," beg for a delay in payment of his obligations to the dealer, thus forcing the dealers to ask for an extension of their paper; and how readily their creditors will grant such requests can be best judged by the dealer himself.

"The *Journal* will not assume to advise the dealer concerning these questions. But it does seem to us that, in defense of his own interest and the interest of his creditors, he should advise his farmer friends to sell their cotton, or so much as may be necessary to pay their debts, and hol l the balance, if they care to, for better prices. A 500-pound bale of cotton now brings from $45 to $55, according to the grade, a sum almost double the price of a bale a few years ago, and it does not cost $5 a bale more to grow it now than it did when it brought from four cents to five cents per pound. One of our most prominent exchanges has this to say: 'Beware of the extension this fall. Local crop failures or injury will inspire many requests from farmers whose circumstances make no crying need for additional time. There will be some who cannot meet their obligations, and must perforce be carried. Do not take on those who can bear their own burdens. Manufacturers and jobbers are close collectors these days.'"

When to Let Go of an Old Customer.

AN ADDRESS BY FRED. A. SMITH, OF REID, MURDOCH & CO., DELIVERED BEFORE THE CHICAGO CREDIT MEN'S ASSOCIATION, WEDNESDAY EVENING, SEPTEMBER 21, 1904.

Doubtless every Credit Man present this evening will agree with me that one of the most difficult problems we have to contend with is: "When to let go of an old customer;" more especially so, as for various reasons it cannot be handled on its practical business merits, but to a certain extent as a matter of policy and friendship, sentiment (which should have no place in a Credit Department) will govern.

When we wander through the cemetery of lost accounts looking over ancient records, we find some of the most conspicuous and expensive monuments mark the graves of customers whose names at one time were old landmarks on our ledgers, and to a certain extent represented warm personal friends of the firm and prominent employees, who, for years, had given us a heavy percentage, if not all, their trade, and in a way were considered "members of the family."

Their trade had been profitable, and in time of adversity they were certainly entitled to liberal treatment, which they received, but in spite of the good advice given them, matters had drifted from "bad to worse," perhaps through misfortune, poor health, or disaster over which they had no control, but more frequently poor management, extravagance, too liberal credit and many times "dry rot." They closed their business career either by death, leaving an insolvent estate or a disastrous failure, and very often, while other creditors had been paid, our account being on a friendly basis, was uncared for, and all that remained was a promise "that some day you would be paid in full," which promise we knew would never materialize.

At first one might say that before failure one's friends and relatives are protected, but I believe you will agree with me that this is not the rule. In other words, one generally takes more liberties with friends. I refer entirely to *honest* failures, as statistics prove that *dishonest* ones represent a small minority, and many of us can doubtless testify from personal experience that some of our best friends, or even relatives have allowed their obligations to go unpaid while outsiders have been cared for promptly.

There are various reasons why old friends and customers under certain conditions prove expensive.

1st. Too liberal extension of credit has been granted through neglect to investigate actual conditions at stated periods. Before we realize it, an open running account will often exceed the intended line of credit through monthly purchases exceeding payments, and while spending our energy in investigating new customers, and perhaps turning down safer accounts than many on our ledgers, we overlook the condition of our old friends and accept their explanation without question "that they are only leaning on us temporarily; and that their business is in good shape," perhaps waiting for crops to move or wealthy customers to return from vacations to settle good-sized accounts, or other plausible reasons, when actually they are running behind with many others, and ours represents a small portion only of their indebtedness, and during all this time their account is increasing to an alarming extent.

On the other hand, every assistant and employee, both in and out of the Credit Department, apparently understands that Blank & Co. are "perfectly good;" in fact, it is one of the accounts "that has always taken care of itself," and orders continue to go through, many of them larger than we realize. Again, salesmen will advise old friends to buy in excess of actual needs, anticipating market advances or securing advantage of "Job Lot offers," and when we are brought face to face with conditions that are serious we begin to "sweat blood" and devise the best plan to "let go."

We will all admit that such negligence is inexcusable, and would censure our assistants for such carelessness in handling an account, and perhaps try to place the blame on them as it is.

At this stage the question arises, whether to take an arbitrary stand, refuse further credit and demand security, which often brings on immediate disaster if the customer is unable to procure accomodations elsewhere. If, however, he is fortunate enough to obtain assistance to close your account, and finally meets with success, you have lost a valued friend and customer forever.

If we allow sentiment and friendship to influence us, as is quite natural in such cases, we may possibly "make a bad matter worse" by advancing sufficient cash to pay off other pressing creditors, relying on his promise and our faith in the customer's ability to make radical changes in his methods, and give him another trial. We will then find that after more money and goods have been invested, our man is in a worse condition than before. Few men after passing middle age will successfully "win out" or emerge from financial embarrassments either from unwillingness or inability to make radical changes necessary in their business methods.

During all this time the credit man has doubtless been influenced more or less by friendship, pressure or suggestions from principals, or personal feelings (if a proprietor himself), that this customer has been one of the old and profitable ones, in fact, is entitled to more than usual consideration (as he certainly is), and in his old age we cannot afford for many reasons to handle the matter in a cold-blooded business manner. If finally shown his actual condition, he will doubtless "throw up his hands," and offer to turn over to you his entire property for the benefit of creditors or else go into bankruptcy. The latter, we all understand, means little for anyone except attorneys and court officials, and to save as much as possible from the wreck we accept the trust to take charge of a complicated business and try to liquidate affairs of the estate for all interested.

This means extra work for the Department, annoyance and trouble

in many ways, the necessity of employing outside men to run and close out a varied line of enterprises, perhaps farms, saw mills, factories, etc., in connection with stores, to say nothing of criticisms that will be offered by the other creditors. If final results are not as expected, for invariably a debtor in such a condition will actually believe, and will inform all interested, that his assets are "amply sufficient," if properly handled, to pay out 100 per cent. and leave a handsome margin for himself, while his "odds and ends of property" may under the best management fail to satisfy even a moderate percentage of liabilities. In consequence, the debtor and his friends will always blame you for bringing about his failure, and, instead of appreciating favors shown, he will become a bitter enemy from that time to the end of his life, which feeling will often be transmitted to future generations.

From my own experience, I find that a debtor seldom has any kind feelings toward creditors to whom he is heavily indebted at the time of failure, although they may have extended him most liberal accommodations; but from that time on he will speak in highest terms of those who perhaps turned him down at an early stage of his business trouble, feeling that had he taken their advice all would have been well, while the sympathetic creditor who stood by him to the end is held responsible for his misfortune.

The above instances are extremes, as the majority will, with careful advice and handling, work out with satisfactory results to all concerned, when of course the Credit Man can congratulate himself that he has been a "friend in need," and rescued an old customer from disaster.

The question then naturally arises, how should such cases be treated? I believe the simplest way is to avoid them by watching all delinquent accounts more closely, renewing information more frequently on old customers that are inclined to be slow, secure co-operative experience of others selling the same party, either direct or through a Clearing House system, and if found that other creditors are having a similar experience, it is high time to demand an exact showing of actual conditions, either by a "heart to heart" personal interview or secure property statement by correspondence, and draw your conclusions as if a new account was being opened, barring all sentiment.

If the customer cannot be shown in a kindly manner that his boat is nearing the rocks, both time and money will be wasted by all concerned in encouraging further extensions or increasing the indebtedness. Such an account should be gradually closed, retaining the friendship of the customer if possible. At such times, however, every conscientious Credit Man should rise above the sordid question of dollars and cents, and realize that to a certain extent the debtor's entire future is at stake and may rest entirely in his hands, or depend on the advice given or action taken at such crucial periods. No mistake should be made, as the future interests and welfare of not only the debtor, but his family as well, are involved, and a false move may result in a life failure or perhaps a tragedy, that might have been avoided by the right word or good advice from a creditor. This confirms my former statement that closely watching the business pulse of the customer, as shown by his ledger account, may prevent the disease advancing to a serious stage, and by showing the man the cause of his troubles bring about a change of methods—the same as a good physician will use every means to effect a cure before resorting to heroic methods of surgery. Occasionally a man shown his weakness by a stranger with whom he tries to open an account will realize that his old friends were correct in giving the same advice to which he had taken exception.

Those of us handling credits twenty years ago can realize the

changes that have transpired during that period. Country merchants at that time were obliged to carry many of their farmer customers on settlements once a year, or when crops were marketed, and necessarily required the same accommodations from their jobbers. They would settle at maturity with 8 to 10% interest notes on three to six months' time, and then renew the paper, and could afford to pay such rates, as profits were based accordingly; but the Department Store and Mail Order house competition has cut prices to a cash basis, and the merchant meeting such conditions and carrying the farmer as formerly will soon exhaust the surplus funds he put aside in early years. Again, habits of extravagance at home and in the store, acquired during prosperous periods are difficult to correct and too liberal credit, slack collecting and other old-time methods soon go down before brisk competition of young blood and up-to-date management, which saves the profits of cash discounts, as the merchant now failing to discount bills is working against heavy obstacles, and though perhaps not dangerous, when carried to the extent of being a "chronic case of slow pay," should be watched closely and a thorough investigation of the causes made before it is too late.

If the proprietors, as a matter of friendship, conclude to carry such accounts on a sentimental basis, they should assume the responsibility and from that time consider it as a donation or charity proposition, which sooner or later it is liable to reach.

An old Credit Man in conversation with the writer a few years ago, who had experienced a loss of about three thousand dollars, stated: "This customer for fifteen years had bought on an average from eight to ten thousand a year, and they considered it a good investment to sell over one hundred thousand and lose only three, and would gladly accept such a proposition from any customer." This line of reasoning is unique, but should not be considered a safe rule to follow, as the customer might fail before the end of the first year.

In conclusion, the old motto, "Eternal vigilance is the price of honor," is an appropriate one for every Credit Department, and the old darkey who observed "that you seldom get kicked by the mule you are watching" had some good qualifications for a Credit Man.

The Scope of the Credit Man of To-Day.

By Charles G. Rapp, of Young, Smyth, Field Co.

The scope of the Credit Man of a wholesale house leads him not merely to see that goods are shipped to no one without a reasonable assurance that the bill will be paid when due.

He has time and again made himself useful to the retailer by giving him advice as to the proper management of his business, and put it on a money-making basis. He has prevented failures, and when a failure could not be averted has handled the affairs of the bankrupt in such a way that the estate was enabled to pay a larger dividend than would have otherwise been the case.

Through his associations, both national and local, he has been instrumental in having had placed upon the statute books of many of the States of the Union, laws tending to improve business conditions and to prevent frauds of various kinds being perpetrated upon the legitimate and honest dealer—particularly laws relating to the sales of stock of merchandise in bulk, which are at times sold by unscrupulous dealers for little or nothing and then thrown on the market to be sold at 25 per cent. or 50 per cent. of their value, to the serious detriment of the retailer who pays his debts.

The credit man has caused to be issued literature on general business topics, which has had widespread circulation, and has slowly but

surely made for more liberal and more progressive conditions in the whole commercial field.

It must be admitted that since his advent in business life he has had an elevating influence. His department is conceded to be one of the most important divisions of the modern mercantile establishment, and its proper management is a factor in the success of the house.

The retailer who has so conducted himself as to have gained the confidence of the credit man of his wholesale house has an asset of much more value than cash.

"Economics of Conservative Credit."

Address delivered by W. H. Preston, Ex-President National Association of Credit Men, at the September meetings of the Pittsburg and Rochester Credit Men's Associations:

It is an honor which I assure you is appreciated, to be invited to address this Association, composed as it is of the men who have in their keeping the fortunes of the jobbing, manufacturing and banking interests of this wonderful city.

I speak advisedly when I state that you have in your keeping the fortunes of these institutions, for goods may be bought ever so wisely, advantages may be taken of all trade and cash discounts, the goods may be sold on a large profit, but unless the credit and financial department is wisely and judiciously managed, all these other labors and advantages are of little avail. The importance of the sales and the buying department are not unappreciated when it is said there is no more responsible or important position in any house than that of the credit and financial management.

Competition is the great motive power of production and enterprise, but it has been called more names, mean and unwarranted, than most any other commercial factor.

Numerous suggestions have been made for its entire removal, but as yet all attempts superseding competition by any other motive have been unsuccessful.

Cicero and the Roman philosophers despised commerce, and it is reported that Cicero said, "A merchant could never make anything unless he lied in the most atrocious manner," and Chrysostom believed it scarcely possible that a man could be a Christian and a merchant, and even our own Benjamin Franklin said, "Commerce is, generally, cheating;" but we are teaching differently now, and our credit organizations stand as sentinels pointing to Honesty as one of the elements entitling to credit.

We say, too, that honest, keen competition stimulates activity, compels studious management, prunes expenses, places superior goods upon the market and regulates prices within reasonable limitations.

There are some things we as credit men are under obligations to say to our customers.

Competition seems to impel all to grant unwise credits in order to do the volume of business they desire, and it seems that competition cannot be more disastrous in any kind of business than that of loose credit granting. Surely one can afford to compete in price and sell upon a small margin when careful of credits, for there can be no great loss unless the expense exceeds the profits, but when we compete to the point of selling goods upon credit to parties not entitled to the lines of credit, we are giving them, not only the profits are hazarded, but invested capital as well, and so our determination must be not to compete too keenly for poor credit business, and to discourage such competition in our customers.

Mr. James G. Cannon, former President of the National Association of Credit Men, has said, "The question of competition in business

is one that all departments of business must meet, and the retailer who grants credit must recognize existing conditions and regulate prices to meet those offered by dealers who sell for cash.

We should discourage our customers trying to meet every price on every class of goods, and should urge quality in goods, honesty in business matters, system and economy in management, well-kept stocks, cleaned-out overstocks of seasonable goods, close attention to business details, careful buying, and urge that these will overcome severest competition in cut prices and cheap goods.

But I imagine I hear you asking how competition affects your credits, and perhaps you are saying our positions do not call for competition; the competition is in the sales and buying departments.

For, no doubt, your thoughts have preceded my utterance, and you agree with me when I affirm that when the sales department has made a price it has done so with the conviction that competition is met, at least in so far as it is desirable to meet it, that the margin of profit cannot be lessened; that terms of sale cannot be more liberal, and the price has been made with the understanding that the contract of sale will be carried out.

Now, what is the contract as it comes to us, speaking only of the credit and the collection department? The goods were sold upon a specified time with a specific provision for discount for advance payment within a definite time. The obligation is payable at our office in funds at par.

No calculation has been made for any failure of the buyer to comply with the terms of the contract. Neither has a loss of any part of the account been considered. It is then manifestly our function to uphold the sales department after the order has been left there, and it is henceforth in our tender care. And to do this a strict compliance to the terms of the contract is necessary.

Harlow N. Higenbothan has said, "A credit well made is an account collected," or, to vary the phrase, the necessity of making a forced collection implies a fault in fixing the credit in the first place. Another has said, "The collection and settlement of an account must date back to the opening of the account, and all treatment of it from before the first sale is made influences very materially the manner and success of its settlement."

A collection to be made, a failure to be investigated, an adjustment with an embarrassed debtor or the treatment of a request for extension, each calls for special reasoning, and all are narrow in their scope as compared with the consideration of opening an account and fixing a line of credit.

It seems to be the general custom with many to allow the limit of credit to be governed almost entirely by the manner of payment.

I believe that simply letting an account run until something is past due, and then refusing to sell, is a very dangerous custom, and often results in loss. If one is doing a business of $12,000 per year he can expect to pay, perhaps, $800 on account each month, and may owe $1,500 for 60 days' goods and meet his bills satisfactorily.

Now, if this man is an easy buyer, he is very apt to be induced to overload. On the principle of limits of credits being until something is past due, this man may soon overbuy, and his credit become impaired in the process of the credit man trying to let go by that dangerous process of hanging on, familiar to most of us. In the words of David Harum, "It is a good sight easier to get a fish hook in than it is to get it out."

But in our competition through our credit departments, we find that the collection and exchange accounts show that we in many instances pay

the portion which our customers contract to pay for we have either drawn upon them, because of failure to pay promptly, or we have accepted his local check and paid the exchange ourselves.

But, we say, these are small items, and so they are, but bear with me; if you are doing a million-dollar business annually, and if you are carrying thirty days of your sales past due you are in some way, either through borrowed money or by reason of idle capital, paying interest on $83,333, which, at 6%, equals $5,000 per year, this one-half of 1% of your entire sales.

It is probably true that you are paying exchange on drafts which you make for past due bills or for exchange upon local checks another $300 per year. Conservatively stated, then, the credit department, outside of losses from bad debts, are averages to reduce the dividends from the business at least one-half of one per cent., or $5,000 on a $1,000,000 sales, or 2 to 3% of a dividend on capital usually needed for such a volume of business.

Now, I did not come here to say that all this could be avoided, for I have been trying faithfully a long time to avoid it, but I do say, very earnestly, that it is our business to use all honorable efforts to reduce the shrinkage from these sources to as small an amount as possible.

Justin McCarthy, in his biography of the Hon. W. E. Gladstone, says, "That Mr. Gladstone thought nothing gained while aught remained to be done;" this should be the leading characteristic of the Credit Man.

Now, if we are willing to agree that our department should be so conducted as to use every effort in reason to carry out the terms of sale by prompt collection of the account in funds at par, and if we will now settle upon a conservative line of credit for a limitation, we will be upon a safer and more practicable basis. And this is my belief that so far as in us lies, our lines of credit should be placed with such care after a careful investigation of all facts possible to obtain, that the merchant could not overreach.

Do you tell me this is impossible? Then I would say that all that goes beyond this conservative limit is that speculative risk which we are all in a measure willing to take.

You who have been at all familiar with my work in connection with the credit conditions during the past ten years while associated with the work of the National Association of Credit Men, and those who may be familiar with my addresses during that time, will have memory of the conservative lines of credit which it has been my effort to have adopted throughout the United States. It was therefore an opportunity for further and more effective service when the Western Management of the Bankers' Department of the American Credit Indemnity Co. was offered me, for, aside from the valuable nature of protection against excess losses which their bond affords, there is that important incentive for a careful supervision of Agency rating, and a more certain disposition to keep within the limits which the credit man, in his thoughtful consideration of the term of the Bond of Indemnity upon his account agrees are conservative and safe limitations. In my educational work with the bankers it has been my pleasure to receive many commendatory letters regarding the economic value of Credit Insurance. One prominent banker of the Pacific Coast writes me, "I am favorably impressed with the benefit that will accrue from its general use to the merchants of our community. Anything that tends to conservative methods in business deserves the encouragement of our financial institutions, and should be appreciated by our mercantile classes." Another writes, "I am certain that good results will come from your efforts to instil among the Credit Men that conservatism which under-

lies the theory of your work. The plan of insurance advocated by you is, to my mind, sound and beneficial to business generally. Its indirect influence, in addition to the monetary protection, will certainly tend to develop a more perfect satisfactory credit system. It seems to me strange that it is not more generally practiced in mercantile houses. I hope before long to see it the universal practice in all well-managed commercial houses."

My experience as a credit man for nearly twenty years has also shown me that the losses usually occur where least expected. It is not the account which we are watching so closely which shows loss so often as it is the account which, through familiarity, has caused us to be careless, and the frequent placing of O. K.'s upon the paper has become so much a matter of machinery that the old friend we have sold so long has unexpectedly, because of our familiarity with his name, become unable to meet his obligations and invokes firm administration.

And I say to you, gentlemen, that Credit Insurance is the most potent factor to-day for conservatism. The lines and limitations placed upon the accounts are scientific and conservative, tend to make the Credit Man more watchful and give him better judgment because of additional confidence.

My work among the bankers is purely educational, explaining to them the economic value of Credit Insurance, and the recognition given this great economic in the great Bankers' Conventions is evidence of its importance and value.

I am just returning from New York, where the American Bankers' Association, the greatest financial organization in the world, made this economic one of seven for presentation to that great body of financiers, and listened intently to an explanation of its value.

No higher tribute could be paid than their interest, and no more important economic is before the commercial world to-day.

Conservatism, protection, elimination of the great cause of panics, lack of or loss of confidence in credits; these are some of the great results which will be brought about through the proper application of Credit Insurance.

Those who have been identified with the credit association work have read into their commercial lives during the past seven years that great word, "Progress," by the side of which have been placed another two equally as important words, those of "Protection" and "Conservatism." Some have been astounded at a statement I have made recently that the liabilities represented in failures during the past ten years are $361,000,000 more than the losses by fire.

With these facts before us, do we need to make an apology for preaching the doctrine of conservatism to the Credit Men throughout the entire country?

After a great deal of correspondence and many conferences, I believe it is generally conceded that a safe starting point, after ascertaining as nearly as possible the liquidating value and where the business is exclusive with one line, would be:

Groceries, 20 to 25% of liquidating values.

Boots and shoes, 15 to 20%.

Dry goods, 20 to 25%, or perhaps 30%.

Hardware, if doing much implement business, 25 to 30%.

If these various lines of goods are handled in a general store, the safe starting point would be about the same percentage as above, but upon a basis of proportion that particular line bears to the total business.

Now, with these facts and figures before us, let us look for a specific suggestion to remedy the competition in our credit department.

You have no doubt had a salesman come to you and say, "If you will carry Mr. Blank a certain amount past due I can get his trade;" this is competition in the credit department, for the Blank Company are carrying him, and notwithstanding their leniency he is reported to be dissatisfied.

Are we wrong in saying such competition is a mistake, unsafe, and expensive? We all have slow accounts, but when such is the case it should be because of necessity to tide a man over and not have been taken on deliberately as a slow account in the course of competition.

The salesman's statement that Thus & So carries this man and do not draw on him, and let him have all the goods he wants and for about as long a time as he wants, should be the surest guarantee for close investigation.

Frequently the customer writes that he often has an account of $500 or more past due with another house, and they do not charge him interest, and he will not trade with you unless you do the same; here is competition again. Shall we meet it? Would it not be better to write to him that it is for his own best interest that he conduct his business so as to meet his obligations with reasonable promptness, and emphasize the fact that we are doing him a favor in thus trying to strengthen him?

When we recognize the credit department as one for the purpose of carrying out the contracts of the sales departments, not as any part of the competition, the better will it be, not only as relates to our own dividends, but we will have placed our customers well on the road to prosperity.

Let there be proper and true competition in all our business transactions, but let the Managers of the Credit Departments place a high standard on lofty business ideals, thus shall we be able to win success for ourselves and to make the business world better for our having wrought faithfully. Since making this topic one of special thought, there has repeatedly come to my mind an incident related of Ulysses. You remember, when returning to his ship, of the many accidents which befell his company; and as he desired to avoid others, when he was about to pass the point where the beautiful but baleful sirens sang, he had himself lashed to the ship and had his sailors' ears filled with wax that they might not hear, for it is related that none heard and lived, for they would cast themselves into the sea and be dashed to death against the rocks in their efforts to reach the attractive sirens. Ulysses, enchanted as others, had striven in vain for release from his bonds. The incident concludes by saying that he was the only one who heard these sirens and lived, for the sirens in despair cast themselves into the sea and were drowned.

It is possible for us to bind ourselves to our commercial bark with strong ties of business prudence and common sense, broadmindedness and wise methods, and to fill the heads of our salesmen with other thoughts, that they may not hear the sirens' unreasonable song of competition, and thus be impelled to throw themselves into the sea to perish. It is possible that these sirens can be so discouraged that they will not further tempt us to swerve from the true course; then shall our bark reach the harbor in safety, laden with the success of the voyage, having won for us retirement from further strife and proper enjoyment of the fruits of our labor.

I know nothing better to hope for from every member of the National Association of Credit Men than that of each it may be said, as of Lycurgus, the Spartan, "We know what he was only from what he did; he has this imperishable honor, that he did something, and did it in such a manner

and with such effect, that the memory of him and his deeds has lasted until this time, and bids fair to last through all time," and to the members of this Association I desire to propose this toast, "I wish you the happiness which Aristotle said depends on three things, the goods of mind, as wisdom and prudence; the goods of the body, as beauty, health and strength, and the goods of fortune, as riches and nobility."

Adequate Insurance a Necessity.

ADDRESS DELIVERED BY E. L. THOMPSON BEFORE THE PORTLAND CREDIT MEN'S ASSOCIATION.

Having accepted the invitation to address your association on the subject of "Fire Insurance As It Relates to Credit and Expense," my aim will be to present a few suggestions that may in some measure cause the jobber to give more attention to the retail merchant's insurance for the betterment of credits. I will also touch briefly on the subject, "How to Secure Lower Rates," on your own business and reduce this expense item by closer co-operation with the insurance companies.

In the last decade the use of fire insurance has become so universal that it no longer remains a questionable expense in the conduct of business; especially is this true when the risk is concentrated or where the investment represents a considerable portion of the owner's assets; and the one who fails to provide for such protection is either negligent or takes a chance that few careful business men care to assume. Therefore, we will at once open the insurance account and treat this item as a necessary expense as well as an advantage.

First.—A necessity for our own protection and peace of mind.

Second.—An advantage, for it serves as a guarantee to our banker, a reserve in case of loss, and a mark of good faith to our creditors.

Who of you would think of extending credit freely to a retail merchant who had all his money invested in a business, although apparently prosperous, if you were aware that he either neglected or declined to carry a sufficient amount of insurance to protect his creditors in case of fire. You must either consider that you are carrying his fire insurance, or add a sufficient amount to the value of the goods sold to pay for such protection or decline to extend credit to such a one if you wish to avoid unnecessary losses; otherwise the loss would fall not only on the retailer, who would lose his stock and investment, but you would be called upon to share the loss if not all of his obligation to you, certainly a great portion; and what oftentimes would amount to even more, the loss of a valued customer. How far then does your duty extend in such cases to the protection of your credits? You certainly watch the financial reports of your customers, study their record, and extend or limit credits as in your judgment this or that one seems entitled by his financial standing as well as his business ability. Should you not also give the same careful attention and concern to his insurance, showing him the necessity and advantage of having sufficient protection.

There are many small retailers who are not fully aroused to the needs of such protection, due in some cases to inexperience, but more frequently to neglect or carelessness. Is it not, therefore, your duty to make this a part of your business, to even make it a part of the consideration when extending credit? While this in some cases may seem arbitrary, in others it will work a great benefit to all concerned. The way to accomplish this may best be left to the individual jobber whether to equip his traveling salesman with insurance forms of covering. Proper forms can be readily obtained from your insurance agents or surveyors; or use the simple caution of attaching a slip to your bills or correspondence with the words, "Are you insured?" this will set the retailer to thinking and

results will follow; so much for the retailer's insurance as relates to credits.

Now, as to your own protection—cool, calculating, careful business men that you are, no doubt you have many times gone over the expense item of insurance with something of a feeling that it is a burden and were tempted to take a chance and reduce this item of expense. Others again are neglectful and careless, scarcely knowing from one year's end to another the amount of insurance on their stock—much less the percentage that should be carried for reasonable protection, or whether the insurance companies are reliable. Fortunately, system and careful business methods are rapidly taking the place of the old hit or miss style. Now the up-to-date merchant maintains a carefully compiled record of stock, expense and profits and is able at any time to ascertain exactly the condition of his insurance covering and the amount of stock on hand in each department. It goes without saying, that if you wish to handle a given line of goods you will have your buyer study the line carefully as to quality, price and the expense of handling the commodity to be placed in your stock. Having decided upon the quality you seek to make the best terms possible in their purchase, then handle the line with care and caution to avoid being overstocked or being short so as to secure such profit as would accrue in handling that line of goods.

Any company's assets, reliability, standing and method of handling and paying fire losses can be readily ascertained. It is very generally supposed that fire insurance underwriting is very profitable, and it would seem to be true as you scan the records of the dozens of companies showing millions of assets, and yet the records show the aggregate profit of the leading companies doing business in the United States in the last ten years on underwriting a profit of less than 2 per cent. on the premium income, the larger gain being made in their banking and investment departments. We are likely to overlook the great number of companies that are organized who fail early in their existence, and as the records show, very few of the many companies organized ever reach solid ground or accumulate a safe reserve. However, this matter need not give our Oregon merchants serious concern, as our statutes provide for their protection so that it is almost impossible for an outside company to enter the State who is not financially strong. Our State law requires a deposit of $50,000 with the State Treasurer for the protection of policyholders. The object of bringing to your notice the financial side of the fire insurance companies is to demonstrate the great fire waste, the close margins in the conduct of the business and why it is neither good business nor profitable for you to undertake to carry your own risk.

How to secure the best rate, opens to us our real point of discussion. Speaking from the underwriter's standpoint we are as anxious as the assured to protect your interests at a minimum rate. How to co-operate with you to this end is our daily study; to aid you in improving your risk, to eliminate the cause of fire by removing rubbish and accumulations that may cause spontaneous combustion and all other unnecessary hazards from your premises; to aid you further in preventing the spread of fire by advising and sometimes requiring the building of fire walls, proper installment of electric wires, trapping of elevators and stairways, protecting the openings from one compartment to another as well as protecting windows and outside openings with fire-resisting doors, and in many ways aiding the assured to so construct and equip the building to prevent fire and thus reduce the rate. Care and caution prevents many a fire.

It is a well established fact that it is not the high rated unprotected risk that is desired by the fire insurance companies, but the low rated risk made so, by reason of its cleanliness, proper construction, protection and honesty of the owner. Every well regulated insurance company main-

tains a complete record of all buildings and contents, showing the percentage of loss and damage on each compared with the income, and on the general average they have a clear and positive guide in fixing rates. These records date back to the early history of the insurance business and are carefully continued as improvements are being made and whenever found to be of an advantage, either to prevent or restrain fire, credits are promptly and freely given and rates reduced. In addition to the individual records maintained in the Home Office, traveling inspectors are employed by each company for the purpose of inspecting buildings and stocks, to prevent the company from being called upon to pay losses where such losses could have been prevented by proper precautions and improvements. In addition to the company's own inspectors, general inspectors and surveyors are maintained by the *pro rata* contribution of all of the companies doing business in this territory. The duty of these general surveyors, working under the direction of an efficient leader and manager, is to aid as far as possible in bringing about improved conditions and to encourage the owners of buildings to construct a better class of risks and to protect it from the spread of fire. Not only do these surveyors aid and advise individuals, but they bring their influence to bear on public officials and city councils to enforce and improve the building laws and are constantly urging upon them the necessity of maintaining adequate water supply, better fire departments, constructing fire escapes, fire walls, fire boats, regulating the storage of explosives and extending the fire limits; and let me say right here, gentlemen, the construction and maintenance of wooden buildings in the congested district is a constant menace to our city and should have the careful attention of every merchant and property owner. Not only are the adjoining buildings endangered, but the entire block, indeed, the entire city. I need only refer to the recent great conflagrations of Baltimore and Toronto to show how important it is to co-operate with us in our effort to prevent such a catastrophe at home; as far as possible construct not only your own buildings, but interest yourselves in other structures to secure improved conditions and induce public officials to enforce existing building laws and to maintain and extend the fire limits. In this way your own property will be safer and in turn your rate will be lower. In brief, "the hazard makes the rate."

You no doubt are willing to admit that it is just as necessary for the insurance company to receive an adequate rate for the risk assumed as it is for you to receive a living profit on goods handled, and such rate must bear, not only the rate of the class of hazard to which it belongs, but must also include a charge to cover the conflagration hazard, such hazard being based upon the general condition of the town or city wherever situated and protected. Thus what may seem to be in the general way expressed in the old saying, "What is everybody's business is nobody's business," is entirely wrong, as it is your own private affair to see that proper laws are made and enforced for the protection of your city, of which your property is a part. This then is your opportunity to reduce the insurance item of expense, which it a part of the manager's and credit man's business. When you are ready to improve your own risk send for the surveyor and you will find him ready to help and confer with you, and if you will follow his instructions your risk will not only be improved, the hazard reduced and a reduction of rate will follow.

Be sure that your own insurance is properly written, covering such portions of your stock, fixtures, machinery and buildings in such proportion as each item bears to the entire contents or buildings, and see to it that all policies are concurrent. Remember that an insurance contract should have your most careful attention as it becomes a very important asset when you are brought face to face with a fire loss. The adjuster

in settling with you must follow the contract in his adjustment; after the fire is a poor time to discover you have neglected this important matter. Do not hesitate to acquaint yourself with the condition of your customer's insurance and to see that he is properly protected, and in case of loss aid him as far as possible in saving from the ruins such portions of his stock as remains. The standard policy form of New York is used by all of the leading companies at the present time and among other requirements provides that the assured in case of loss shall immediately protect the stock or building from further damage; the idea being to treat the remaining stock with the same care and consideration as though no insurance were on the property.

The aim of an insurance policy is to indemnify the assured and to reimburse him as far as possible for such loss as he may honestly sustain in case of fire. Under the conditions of the contract the assured is required after the fire to use all reasonable efforts to prevent further loss by protecting the building or stock from further damage. This is a most important matter to the assured when the loss is large and comes near to or exceeds the amount of insurance; in the latter case whatever the assured can save over the amount insured is clear gain, as the insurance company will pay the loss sustained up to the face of its policy, and where such loss exceeds the amount of insurance whatever can be saved out of the debris is the property of the assured. Even in partial losses the same conscientious effort should be made to limit the extent of the loss. Be assured, gentlemen, that insurance corporations are made up of individuals and it is but human to respect and appreciate just treatment. All that the company asks and expects is for the assured to show good faith and treat the company fairly and not to increase the loss or throw a greater burden upon them than is necessary.

In case of transfer of property from one owner to another it is necessary to have the policy assigned and to have the company's consent thereto in writing; otherwise the policy will be void, as a contract of insurance is with individuals, not with property, protecting them against loss on specifically described property under certain conditions. If the property changes hands or becomes chattel mortgaged the policy becomes void unless notice be given by the company and they consent to the same in writing.

The use of storage of extra hazardous or inflammable materials without consent of the company may place your rights in jeopardy. In fact do not attempt to change your contract of insurance arbitrarily without consulting the other party in interest. It is just as necessary for you to maintain your part of the contract as for the insurance company, the latter should be anxious to fill their part of the agreement to the letter, as it would be very prejudicial, not only to their individual interest, but to the business in general for them to deny liability or attempt to avoid the loss where the assured had in every way complied with the requirements. On the contrary the assured should seek as far as possible to prevent unnecessary losses and excessive damage claims and co-operate with the insurance company for the betterment of your own risk, your block and your city and your rate will be accordingly reduced. Thus fire insurance enters not only very largely into the credit man's calculations, but is of great concern to the stockholder and banker.

Preparing for Inventory.

When inventory time comes a few months hence, many a merchant will be disappointed at the small returns which he is able to show on his investment. Oftentimes the trouble is not with the size of his trade, but with the way in which his investment stands.

To show earning power, the invested capital must be kept at work. The man who is able to hold his stock down to the actual needs of his business is the one who will show the biggest net profits on his investment. The idea of buying cheap in carload lots is all right, but it will not work when the dealer's trade is not adequate to quickly move the carload lot out of the warehouse or back room. Stock which is piled up out of sight is not earning anything. The chances are that it is depreciating in value. It does well if it holds its own.

Hence the disadvantage of carrying dead stock. The merchant's money which is tied up in stock can only be earning him money when it is out in sight of the customers, when it is moving out of his store and bringing in money.

This is a suggestion for inventory time. Surplus stock should be cut down. Stock which has been hanging fire should be moved out and the actual working investment will then be left for the merchant to figure on.

The man who has more money to invest in his business often makes the mistake of stocking up heavily, and thinking that he thereby increases his chance for making money. The net income will not be benefited by dead stock. Far better that he invest the surplus in a new line of goods, if he can make room for them, and keep his old stock down to the actual needs of the business. The more stock he can get the better, provided it is all active stock, working for him every day.

By keeping the dead stock whittled down, the inventory is simplified, and the results are more encouraging.—*Merchants' Journal.*

Financing Failures.

Financing failures is the latest development of twentieth century business enterprise, and, strangely enough, this beginning of the century undertaking for up-to-date capitalists has developed in Philadelphia. It is a profitable business, too, if the statements of those who have been investigating it are to be believed.

This new form of business enterprise was first brought to the public attention, although it has been known to credit men for some time, at the meeting of the New York creditors a few weeks ago of a Philadelphia woolen firm which had failed, owing about $100,000 to nearly a hundred of the big firms of New York. At that meeting three of the leading lawyers in Philadelphia got up and announced that they knew that this was one of a dozen failures in Philadelphia during six months that had been financed and engineered by one man, that they knew who that man was and exactly how he worked, but that he had been so careful to cover his tracks and eliminate all that might be used as evidence against him in a court of law that they did not dare to mention his name in an assemblage as large as that which they were addressing.

The record of this man and of one or two others who, it is said, have devoted their capital to the same strange and extremely profitable business, has been thoroughly investigated by Henry C. Quinby, counsel for the National Association of Credit Men, but even this investigation has failed to disclose any evidence that would justify a prosecution. There is a lot of testimony by accomplices, but so far no one has been able to discover the smallest scrap of writing to incriminate the head centre of the whole conspiracy. It is said that he never gives a receipt and is very chary about even signing his name to a personal letter. Checks are things that he does not deal in. They are dangerous.

Not only in Philadelphia has this new business enterprise been developed. A couple of years ago there was a series of very suspicious dry goods failures in Rochester and Buffalo, and Mr. Quinby believes that he

has traced them to the same man, who, he is convinced, financed and engineered the Philadelphia failures last year.

Requires Patience and Capital.

The method pursued is one requiring a great deal of patience and some capital. If the game is to be undertaken on a large scale, with a number of "firms" operating at once, a great deal of capital is required. Strangely enough, the lawyers and merchants who have investigated the game unite in declaring that in the beginning, at least, the persons who actually become bankrupts are innocent victims of the commercial spider who weaves his web for both them and the wholesaler who is to be fleeced. As a rule all that they get out of it is enough to pay the lawyer, who sometimes succeeds and sometimes fails, in keeping them out of jail. So carefully does the spider cover his tracks, however, that the actual bankrupts seldom know who has financed them, and are consequently not in a position to "squeal."

The method usually pursued is to fix upon a couple of young men who are doing what is known as a jobbing business in a small way. Usually the business is little more than peddling. They buy a few pieces of woolens at auction and job it around among the small manufacturers. Once the men are selected they are approached by an agent of the spider, who offers them a bargain or two in woolen goods. He professes to be impressed by the rapidity with which they dispose of the goods, and remarks that it is a pity that men with such marked business ability should be restricted by the lack of capital. The next thing is to suggest that two such clever business men should form a partnership and open a store. The young men are willing enough, but the capital is lacking. A few days later the spider's agent sends in great haste for the young men and tells them that he has found just the thing for them. He has a friend, a capitalist, who has some idle money and is willing to lend it to any one whom he recommends, at a reasonable rate of interest. The agent has been so much impressed by the business capacity of his young friends that he cannot think of a better investment for his friend's money than to finance them. The victims of course bite greedily at the bait, and a few days later they are established in business, with $10,000 or $20,000 to their credit in the bank and the spider's agent at their elbow as a "friendly adviser."

Establishing a Credit.

Then begins a long fight to establish a credit on which the final operation is to be based. The spider's agent advises in every step. He supervises the investment of the capital to the best advantage in a stock of goods and then advises his victims how to go about building up a credit.

First one of the partners visits one of the big mill agents in New York. He introduces himself, makes a statement of his assets and liabilities, and asks for $100 worth of goods on credit. The credit man of the concern inspects his statement, looks him over, and decides that he is honest, and to be trusted with $100 worth of goods for the usual thirty days. A week later he comes in enthusiastic and declares that the goods have sold like hot cakes, and that he must have $200 worth more. He pays $75 on the first bill and takes advantage of the usual discount. In another week he is in again with an order for $400 worth and a payment of about $100 on account.

So the game goes on until one morning, about two or three years after the firm has started business and after an excellent credit has been worked up with anywhere from fifty to a hundred houses, the agent of the spider appears. He is very sorry, but his principal has fallen upon hard times and must have all that money he has been advancing to extend the business

for the last two years—at once. The partners are in despair. The "angel" seemed so willing to wait that no provision had been made. To pay off all his advances now would mean the utter ruin of the business that they had been working for two years to build up. At this juncture the agent appears again.

Working the Dodge.

He has a plan which will enable them to get out and start in business again with plenty of capital and a clean slate, and he whispers bankruptcy into their ears. At first the partners balk, but the agent is persuasive. He points out how easy it is and how, if they fail to accept his suggestion, they will be ruined. As a general rule they accept, and then the credit which has been so laboriously established is worked for all it is worth. Goods are ordered from every wholesale house with which the firm has been doing business to the limit of the credit, and are either sold at once below cost or shipped away and concealed. Then the failure comes and the creditors find that goods to the amount of $100,000 or more have disappeared in a month, leaving no trace.

The investigation which follows usually satisfies them that there has been fraud, but fraud of a kind very difficult to prove. Perhaps the partners go to Canada or Europe, and perhaps one of them is brought back for trial. If that happens he usually jumps his bail before the trial comes off. It is said that the spider usually gets about 50 per cent. of the proceeds of the failure, the agent gets 25 per cent., and the partners get 25 per cent. to pay the lawyers to keep them out of jail. As a rule they never see the principal or even know who he is.

Integrity as a Credit Basis.

If we may judge by the views of credit men expressed in addresses and articles written for publication the wholesale business world is constantly becoming more particular about credits. Time was when a retail merchant's credit was established when, having sufficient means to handle the business in which he was engaged, he paid his bills promptly. If he discounted his bills his credit was "high." Inquiries related mainly to the amount of capital and whether or not his obligations were discharged at maturity. Thus it was that men who were disposed to take undue advantage of a creditor and pursue a policy not strictly in accord with honest teachings, were rated as good credit risks merely because they had sufficient capital and did not permit bills to become delinquent.

During the past decade a change has been taking place. Capital is still the first consideration, but inquirers ask not only as to the time when bills are paid but as to how they are paid. Are they paid in full, or does the merchant make deductions to which he is not entitled? Does he make demand for allowances not due him? Does he abide by the terms of contract? Does he deduct discounts after the discount period has passed? Does he remit local checks on which heavy collection charges are assessed against the payee? Year by year the disposition to inquire into the dealer's reputation on these points is growing. To be a good credit risk he must be right in these respects.

Wholesale factors realize that their best interests require them to give and obtain information to and from each other and this sort of reciprocity is growing in popularity. The dealer who has dealt unfairly with any of his creditors becomes generally known as one to be watched. It does not always follow that credit is actually withheld from him, although that happens to some well-rated men, but to be watched means to be required to pay top prices; to be charged prices that will in some measure absorb the unjust deductions if any are made. It means to be ignored when it is

within the power of a creditor to put some of his customers "on the ground floor"; it means to be refused accommodations which may at some time be required. And, as stated, it sometimes means the rejection of his orders unless accompanied by cash. It pays now more than ever to conduct one's business in a strictly honest manner and to comply with the provisions of a contract, when not in conflict with one's statutory rights.—*Farm Implement News, March* 24, 1904.

Fire Insurance Rates.

We have from time to time received from retail merchants in various sections of the country complaints as to high rates for fire insurance which they are compelled to pay, and we have recently been asked to open a discussion on the subject.

We must frankly say at the outset that when all things are considered, merchants, we think, are usually mistaken in regarding insurance rates as excessive. Undoubtedly insurance forms an important item of expense and it does seem hard to keep on paying insurance year after year without receiving anything in return. But merchants should be reasonable in this matter. They should congratulate themselves on not having sustained a loss which, even if paid in full, is apt to entail a cessation of business that may prove very costly.

Complaint in General.

Any insurance man will tell you that the complaint of high rates is general and unanimous. The merchant is a buyer by training and he endeavors to buy his insurance as cheap as possible. If he is wise, however, he will acknowledge what *The Economist* has told him on several occasions: that there is nothing so expensive as "cheap" insurance.

Some merchants complain that the insurance companies are making too much money, and therefore ought to reduce rates. But what use have you, Mr. Merchant, for an insurance company which is not making money? Such a concern is not worth your attention, much less your payment. A company must make money, and a great deal of it, in order to provide a surplus from which to pay its losses.

Like Putting Money in a Bank.

In a word, insurance is a good deal like putting money in a bank. The main thing is to know that it will be forthcoming when it is needed.

Suppose you were a depositor in an old-established bank, which for years has been making money in a conservative and profitable way. A new bank starts up next door. It shaves its rates on discounts, we will say, and, maybe, allows interest on balances. In spite of these inducements, is it not the part of wisdom to continue with the older institution, seeing that if hard times come your money will be safer than in the newer one?

The same policy should be pursued in connection with insurance companies. It is wiser to pay the higher premium demanded by the old-established, sound company than to be led away by the lower rate offered by some new and untried concern. For you can never tell when an insurance company will be called upon to pay out enormous sums.

The Case of Baltimore.

The Baltimore fire of February last furnished a case in point. Just previous to the fire a strong movement was set on foot by Baltimore merchants for lower rates of insurance. Some of them, thinking they were overcharged, took out policies in concerns with but limited resources.

But when the conflagration came which destroyed the greater part of the wholesale section of the city they found their mistake. The old-estab-

lished companies met all their obligations, paying every dollar called for by the policies. One company alone paid out $1,000,000. The weak companies, however, were unable to make good, and those who thought themselves insured found that they had paid their premiums in vain.

Best Proof of Moderation.

The best proof that rates are not too high lies in the ill success which has frequently attended those who have embarked in the business of fire insurance. New companies spring up like mushrooms, for it is an easy matter to embark in the insurance business. A few losses, however, and such concerns are wiped out.

Mutual companies, too, have been formed by business men, but these efforts to save money on insurance have usually proved unsuccessful.

Dry Goods Stores a Bad Risk.

That dry goods merchants and proprietors of department stores complain of high insurance rates is rendered all the more interesting from the fact that establishments of these classes are regarded as among the "worst" risks that can be taken. One reason for this is the nature of the stock, which, taken as a whole, is highly inflammable and is furthermore very susceptible to damage by smoke and water. The modern store, too, with its spacious floors, light wells and elevator shafts, is favorable to the spreading of a blaze.

The statement was made to an *Economist* representative this week by the vice-president of one of the largest American fire insurance companies, based upon a record this official had just compiled, that the company's dry goods business for the past year had been transacted without profit. This is a highly significant statement, more especially as there is every reason to regard it as accurate and reliable.

Most Cities Lack Protection.

Another matter which should be borne in mind by merchants in connection with their insurance is the lack of fire protection which is evident in too many American cities. In the personnel and equipment of its fire department New York probably surpasses every other city in the world, and yet at any moment a fire might break out here which would cause the loss of millions of dollars. The water supply is so defective that if a conflagration once got a good hold among the skyscrapers in the financial section, or even in the wholesale dry goods district, all the efforts of the firemen would probably prove futile. And the same is true of practically every other great American city.

Under such circumstances it is folly to complain of high insurance rates. Better pay them, look pleasant and reflect that you are really getting insurance for your money, whereas those who take out policies at cut rates are pretty sure to find that while they saved at the spigot they will have lost at the bunghole.

This, however, you may do, viz., head a movement in your city for an increased water supply and for the adoption of all possible means of preventing and extinguishing fires. The greater the protection, the lower will be the insurance rates, for the insurance companies can no more afford to invite competition than can the merchant or manufacturer.—*Dry Goods Economist.*

Hustle.

A business or a patch of ground was never yet so far gone but that the right kind of a man given a free hand, could not make it thrive, for there are few situations where getting sixteen and a half ounces out of every pound will not make success. Here comes the successful man.

His watch ticks seventy seconds every business minute. Watch him. His first step is to apply system. He brings results up and expenses down. System to this, system to that. Out with guess in with fact. He prunes with one hand and fertilizes with the other. His fruits are large. His predecessor clubbed the tree for a barrel of immature fruit. He gets a full bushel of round, luscious apples, sound to the core. Each detail overcome in the bud has given to them growth. He commands for a bushel the price of a barrel, and in place of going to market the market comes to him. For not in the whole barrel of "qualified" fruit could be found the flavor with which every one of the specialist's apples is packed. He has developed his possibilities. He is a good captain of industry because he has been a good private, and in the humbler days he learned to pack his own knapsack, to black his own boots.—*The Draper.*

LOCAL ASSOCIATION NOTES.

Chicago Credit Men's Association.

The first regular Monthly Meeting of the season was held at the Sherman House on Wednesday Evening, September 21, 1904, with 150 members in attendance.

Addresses were delivered by:

O. E. Child, of Deere & Mansur Co., Moline, Ill., on "A Political Complexity;" Judge Thomas A. Moran, on "Chicago New Charter Amendment," and Fred. A. Smith, of Reid, Murdoch & Co., on "When to Let Go of an Old Customer."

Mr. Child advocated the extension of the powers of the Federal Government in the business world.

"Why should not the mass of incongruous legislation by the various State Legislatures be assimilated and smoothed out by the National Government," he said. "Legitimate corporations are necessary in the business of to-day, and it seems as if the Legislatures vie with one another to pile up unreasonable laws against them." As a remedy, he urged a Constitutional Amendment.

Judge Moran's address was an interesting one. In advocating a new charter for the City of Chicago, he took occasion to score the Justice Court system, saying on this subject:

"Let us look at our Justice Court system. It is a fact that in any given year the aggregate of fees exceeds the judgments entered in the Courts of Record. They are good under proper conditions, but the idea is essentially a rural one. The justice shop is the court of the poor man. The body of men seeking office for the fees of a constable is not a type of our highest citizenship. There is more flagrant injustice in this community by the operation of Justice Courts, due to the constables, than in any of the provinces of Russia. The poor people are left at the mercy of these men, who, armed with writs, extort money from them that they are not able to pay. And God save us from the Justice Court lawyer.

"The remedy for this is now out of our hands. We should have District Courts, with paid judges and elected sheriffs. You fear anarchy and rebellion. Remove the cause."

The address of Mr. Fred A. Smith, "When To Let Go of an Old Customer," is published in full in this issue of the BULLETIN.

Columbus Credit Men's Association.

The first of the fall series of monthly meetings of the Columbus Credit Men's Association was held at the Hartman Hotel, Thursday evening, Sept. 29, 1904. Dinner was served at 6 o'clock and the business meeting was called to order by the President an hour later. This being the

occasion of the annual meeting, the President's address and the reports of the Secretary and Treasurer were received. The election of officers for the ensuing year resulted as follows: President Frank E. Huggins; Chas. W. Moore, Vice-President. Mr. C. P. Crane and Mr. C. C. Aler were elected members of the Executive Committee to succeed Fred Shedd and Orrin Thacker. Philip L. Schneider was elected Treasurer to succeed Foster Copeland.

The Association was addressed by Mr. J. D. Price of Orr, Brown & Price, upon the subject "Impressions Gained at the National Meeting," and by A. E. Domoney of the Tracey-Wells Co., on "The Advisability of Requiring Customers to Carry Adequate Fire Insurance." A vote of thanks was tendered to each of these gentlemen for their interesting addresses.

Denver Credit Men's Association.

Regular monthly meeting and dinner of the Denver Credit Men's Association was held at the Adams Hotel, September 13, 1904. Forty-nine members were present. Mr. Wyat, Vice-President of the Omaha Credit Men's Association, was the guest of the occasion.

Mr. John T. Plummer, as Chairman of the delegates who attended the Convention of the National Association of Credit Men in New York in June, made a report.

A letter, dated September 10th, from Mr. Chas. E. Meek, Secretary and Treasurer of the National Association of Credit Men, regarding the advisability of a National Investigation and Prosecution Bureau, was discussed by Messrs. Foster, Freeland, Plummer and Bruckman. The Secretary was instructed to prepare a report of the discussion and forward the same to the National Office.

Mr. Chas. Bruckman reviewed the work of the Adjustment Bureau, setting forth in glowing terms its future possibilities.

Mr. W. A. Hover, in a short talk, urged the necessity of the wholesalers having their salesmen in town for registration and voting at the next election, estimating the number of road salesmen employed in this city at between five and six hundred.

A letter from the Portland Association of Credit Men was read thanking the Association, and the President in particular, for the courtesy extended to their delegate on his way to the National Convention.

Applications of new members to the Credit Association and Reporting Bureau: C. G. Carlson, Reporting Bureau and Credit Association.

Credit Association alone: Thos. R. Allen, Farrell & Co.; E. A. Archibald, Western Chemical Co.; H. Garst, American Soda Fountain Co.; Metropolitan Cigar Co.

Data concerning membership, prosecution fund and collection letters was read and received by members with applause.

Then followed the nomination of officers for the ensuing year, the election to be held October 11, 1904.

For President, Mr. C. F. Freeland; for Vice-President, Mr. R. R. Gillette; for Treasurer, Mr. W. P. McPhee; for Secretary, Mr. L. B. Bridaham; for Directors, Mr. J. W. Howard, Mr. Karl K. Mayer, Mr. M. C. Flint.

Mr. J. T. Bottom, in a brief speech, complimented the Association and the Chairman, Mr. Freeland, in particular, on the smooth way in which the slate was nominated, stating that he had attended many political conventions, but had never witnessed such smooth work. He also spoke highly of the Adjustment Bureau.

Mr. Foster moved that a vote of thanks be tendered Mr. Bottom for his speech. Seconded and carried.

There being no further business, the meeting adjourned.

Detroit Association of Credit Men.

W. H. Preston, ex-President of the National Association of Credit Men, was the guest of honor at a meeting of the Detroit Association of Credit Men on Sept. 30th.

The meeting was held at the Fellowcraft Club and was well attended.

Many members of the Detroit Association are old friends of Mr. Preston, and they were glad to again greet him in that city.

Kansas City Association of Credit Men.

The Kansas City Association of Credit Men will hold a business meeting and dinner on the evening of Oct. 15th; at this meeting the question of securing bulk goods legislation in Missouri and Kansas will be discussed.

The Kansas City Association's roster for 1904-1905 is as follows:

President, John L. Powell, Goldstandt-Powell Hat Co.; Vice President, Geo. H. Edwards, Edwards & Sloane Jewelry Co.; Treasurer, Geo. B. Harrison, Jr., Cashier, New England Natl. Bank; Secretary, Edwin A. Krauthoff, Karnes, New & Krauthoff.

Executive Committee.—Rollins M. Hockaday, Burnham, Hanna, Munger Dry Goods Co.; Henry C. Nelson, Sherwin-Williams Co.; John E. Wagner, Cudahy Packing Co.; Chas. M. Lewis, Walkeen-Lewis Millinery Co.; Clayton Bell, Parlin & Orendorff Co.; Geo. E. Morgan, Robt. Keith Furniture & Carpet Co.; J. A. Stringer, Wm. Volker & Co.; Chas. V. Mos, United States Water & Steam Supply Co.; H. N. Mills, Ridenour Baker Grocery Co.

Los Angeles Credit Men's Association.

The Los Angeles Credit Men, after a long vacation, gathered at "Levy's" on the evening of Sept. 22. As usual, an excellent dinner was served, and after coffee and cigars had been passed Secretary Mushet was called upon for a report of his trip to the convention.

Mr. Mushet discussed the convention work item by item, all of which was exceedingly interesting to those present.

Mr. Mushet's address was followed by short talks by the chairmen of the various committees. These were as follows: W. C. Kennedy, business literature; H. Flateau, prosecution of fraudulent debtors; W. F. Bosbyshell, mercantile agencies; J. D. Simpson, business legislation; E. J. Levy, membership. Milton Carlson wound up the evening with a short talk on legislation as affecting credits.

Louisville Credit Men's Association.

The Louisville Credit Men's Association held a business meeting on the evening of September 20th.

A number of interesting topics were discussed, among them being the subject of stimulating interest in the monthly meetings. It was finally decided to provide for such meetings addresses on topics of interest to the members. It was also decided to resume the printing of the lists of undesirable customers and distribute the same to contributing members.

A motion that the Association extend to the Credit Men's Associations in neighboring markets the use of Louisville's Credit Bureau for the next ninety days was unanimously adopted.

New York Credit Men's Association.

The Annual Meeting of the New York Credit Men's Association has been postponed until October 19th. An informal dinner will be given on that date at the Drug Club, to be followed by a business meeting. On this occasion Ex-President J. Harry Tregoe and W. A. Given, President of the Pittsburg Credit Men's Association, will be the guests of the New York Association.

Pittsburgh Association of Credit Men.

On the evening of Sept. 29 the members of the Pittsburgh Association of Credit Men gathered at the Union Club, where a reception was given to ex-President W. H. Preston of the National Association. Mr. Preston addressed the members on "The Economics of Conservative Credits." An address was also made by Mr. W. B. Rogers of Pittsburgh.

Ex-President Preston's address is published on another page of the Bulletin.

Richmond Credit Men's Association.

The Richmond Credit Men's Association report four new members, as follows:

Lamar Pound, Supt., Bradstreet Co.; Eugene Blottner, Pabst Brewing Co.; J. H. Smith, C. F. Sauer Co.; Henry Gunst, Straus, Gunst Co.

The Rochester Credit Men's Association.

In response to the following circular the members of the Rochester Credit Men's Association turned out *en masse*.

"We desire to call your attention to the fact that the season for active work by the Rochester Credit Men is now before us, and your officers bespeak for the association your hearty co-operation in all the things which will engage our attention during the year to come. A close study of the past, present and future of our organization is only necessary to convince you that there are many opportunities for, and much need of, continued co-operation and united effort on the part of the entire membership. Our usefulness has only just begun.

"Your officers beg to announce that the first meeting will occur at the rooms of the Chamber of Commerce, on Monday evening, September 26, and will be the occasion of an informal smoker and reception to be tendered to Mr. W. H. Preston, of Los Angeles, California.

"This gentleman enjoys the distinction of having served as the first president of the National Association (June, 1896, to June, 1897), in which he has been actively interested ever since. He was so closely identified with the movement from its inception that he has often been referred to as the Father of the Credit Men's Association. It is particularly gratifying to your officers that, having learned that he was in New York City, they have secured his gracious consent to stop over on his return trip and give us an opportunity to meet him in an informal way and hear something from him on the subject of credits. Mr. Preston is a credit man of extended experience, and as a writer on this subject has earned an enviable reputation. It is expected that he will address us on

Economics of Conservative Credits.

"Please make an unusual effort to be present, and extend this invitation to your associates, employees and business acquaintances.

"It is hoped that Rochester Credit Men will pay a well-deserved

tribute to Mr. Preston by a full attendance at the reception. See newspapers for more extended notice."

Luncheon will be served by Teall.

JOSEPH FARLEY, *President.*

EDWARD WETER, *Secretary.*

A reception was tendered Mr. Preston for a half hour previous to the meeting.

After the transaction of minor business President Farley introduced Mr. Preston, who spoke on "Economics of Conservative Credits." Mr. Preston said it was a peculiar pleasure he experienced in addressing the Rochester credit men. He had just reached Rochester from New York. The credit men of that city sent remembrances to their brethren here. The same greetings he bore from Philadelphia and Baltimore, from Newark and from Washington.

At the conclusion of the meeting luncheon was served and a general discussion of trade topics was engaged in.

The St. Louis Credit Men's Association.

A meeting of the St. Louis Credit Men's Association was held at the Mercantile Club, September 22. Fifty members were in attendance with President Child in the chair.

The Secretary announced the appointments of committees for 1904 and 1905. Mr. L. D. Vogel, as Chairman of the Committee on Country Checks, reported progress.

The question of an Investigation and Prosecution Bureau was discussed, and the Secretary was instructed to prepare a report and forward the same to the National Office.

A communication was received from the National Business League asking for co-operation in securing an amendment to the Constitution of the United States, changing the term of service of the Presidents of the United States from four to six years, Presidents to be ineligible to re-election. A special committee was appointed to consider the subject.

Mr. H. H. Hinton, of the Policy Holders' Union, delivered an interesting address, the subject being "Perfected System for Insurance Buyers."

Those present were entertained by recitals by Mr. W. Fulton Miller.

After a vote of thanks to Messrs. Hinton and Miller, the members adjourned to an adjoining room, where refreshments were served.

Seattle Credit Men's Association.

The Credit Men of Seattle, Washington, have organized as the Seattle Credit Men's Association, and have elected the following officers:

President, F. W. Baker, Seattle Hardware Co.; Vice-President, F. T. Fischer, Fischer Bros.; Treasurer, Sol. Freidenthal, M. Sellers & Co.; Secretary, Geo. F. Telfer, National Grocery Co.

The National Association of Credit Men has, up to this time, had representation in Seattle through the Credit Department of the Merchants' Association, and thanks are due the officers of that Association for the cordial support they have given this organization.

The Seattle Credit Men's Association is bound to prove an interesting and lively addition to the National Organization.

STANDING COMMITTEES, 1904-1905.

LEGISLATIVE COMMITTEE.

G. Ford, Chairman, Lewis P. Ross, Rochester, N. Y.
Milner, Milner & Kettig Co., Birmingham, Ala.
Simpson, Simpson & Hack Fruit Co., Los Angeles, Cal.
Levi, 400 Fifth St., San Diego, Cal.
Kent, Kent Correspondence School for Credit Men, San Francisco, Cal.
T. Plummer, Truax Mfg. Co., Denver, Colorado.
Dolge, Embalmers' Supply Co., Westport, Conn.
McManus, Repauno Chemical Co., Wilmington, Delaware.
G. Wall, Knight & Wall Co., Tampa, Fla.
L. Moore, W. L. Moore & Co., Atlanta, Ga.
Finegan, J. Rosenheim & Sons, Savannah, Ga.
Borges, Sherwin-Williams Co., Chicago, Ill.
Goodwin, Goodwin Clothing Co., Evansville Ind.
Turner, Turner Hardware Co., Muskogee, Indian Territory.
Lukes, Sioux City, Iowa.
Taylor, Johnson-Larimer Dry Goods Co., Wichita, Kansas.
Florsheim, Bernheim Bros., Louisville, Ky.
S. Foster, Louisiana Tobacco Co., New Orleans, La.
Hammond, Shaw, Hammond & Carney, Portland, Me.
Linthicum, Linthicum Rubber Co., Baltimore, Md.
Arnold, Miner & Beal, Boston, Mass.
nnedy, Michigan Bolt & Nut Works, Detroit, Mich.
e Tradesman Co, Grand Rapids, Mich.
Rust, Stone-Ordean-Wells Co., Duluth, Minnesota.
Jordan, Wyman, Partridge & Co., Minneapolis, Minn.
Baker, Tibbs, Hutchings & Co., St. Paul, Minn.
Threefoot, Threefoot Bros. & Co., Meridian, Miss.
Krauthoff, Karnes, New & Krauthoff, Kansas City, Mo.
Yale, John S. Brittain Dry Goods Co., St. Joseph, Mo.
Vogel, Charter Oak Stove & Range Co., St. Louis, Mo.
Bennett, Wisconsin Furniture & Coffin Co., Lincoln, Neb.
Pearse, Paxton & Gallagher Co., Omaha, Nebraska.
Knox, Manchester Garment Mfg. Co., Manchester, N. H.
McCormick, Johnson & Johnson, New Brunswick, N. J.
Preisch, Haines & Co., Buffalo, N. Y.
rman Wills, Odell Hardware Co., Greensboro, N. C.
Lewis, Grand Forks Mercantile Co., Grand Forks, North Dakota.
Max Silberberg, The Feder Silverberg Co., Cincinnati, Ohio.
A. J. Gaeher, Geo. Worthington Co., Cleveland, Ohio.
O. H. Perry, Columbus Buggy Co., Columbus, Ohio.
Geo. M. McKelvey, The G. M. McKelvey & Co., Youngstown, Ohio.
W. B. Roberts, Lang & Co., Portland, Oregon.
Chas. G. Rapp, Young, Smyth, Field Co., Philadelphia, Pa.
D. C. Shaw, Curry & Shaw, Pittsburg, Pa.
Howard Slade, Westcott, Slade & Balcom Co., Providence, R. I.
Walter Pringle, Pringle Bros., Charleston, S. C.
Wm. Koenig, Jr., Andrew Kuehn Co., Sioux Falls, South Dakota.
T. G. Brown, Brown, Payne, Beaver & Co., Knoxville, Tenn.
J. W. Bailey, Day & Bailey Grocery Co., Memphis, Tenn.
W. H. Williamson, Nashville, Tenn.
Wm. Monnig, Monnig Dry Goods Co., Fort Worth, Texas.
S. H. Wood, Geo. D. Witt Shoe Co., Lynchburg, Va.
J. B. Metzger, W. H. Miles Shoe Co., Richmond, Va.
J. S. Goldsmith, Schwabacher Bros. & Co., Seattle, Wash.
O. P. McKee, Warwick China Co., Moundsville, West Va.
Jas. McLeod, Roundy, Peckham & Dexter Co., Milwaukee, Wis.

MEMBERSHIP COMMITTEE.

Geo. R. Barclay, Chairman, Simmons Hdw. Co., St. Louis, Mo.
I. B. Jacobs, Jacobs Hat & Glove Co., St. Louis, Mo.
J. B. Chambers, N. O. Nelson Mfg. Co., St. Louis,
L. E. Vogel, Charter Oak Stove & Range Co., St. Louis, Mo.
Rolla Bruce, Meyer Bros. Drug Co., St. Louis, Mo.

BUSINESS LITERATURE COMMITTEE.

T. P. Robbins, Chairman, Cleveland Hdw. Co., Cleveland, Ohio.
A. L. Somers, Francis Widlar & Co., Cleveland, Ohio.
J. B. Pearce, The J. B. Pearce Co., Cleveland, Ohio.
F. H. Randel, The American Stove Co., Cleveland, Ohio.
W. F. Lyon, Cady-Ivison Shoe Co., Cleveland, Ohio.

CREDIT DEPARTMENT METHODS COMMITTEE.

Henry T. Smith, Chairman, Bradner, Smith & Co., Chicago, Ill.
W. G. Moore, Price Baking Powder Co., Chicago, Ill.
W. J. McMillan, The N. K. Fairbank Co., Chicago, Ill.
R. A. Scovel, Hibbard, Spencer, Bartlett & Co., Chicago, Ill.
Henry Fornoff, Carson, Pirie, Scott & Co., Chicago, Ill.

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